



Daily Report

East Asia

FBIS-EAS-94-241
Thursday
15 December 1994

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CONTENTS

15 December 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Murayama To Meet Clinton in Washington 11 Jan [KYODO]	1
Steel Industry Leader Refutes U.S. Complaint [NIHON KEIZAI SHIMBUN 14 Dec]	1
Officials 'Cautious' on Purchase of UX Aircraft [KYODO]	1
Foreign Chip Share Reaches 'Record Highs' Jul-Sep [KYODO]	2
Government Approves Uruguay Round Appropriations [KYODO]	2
Hong Kong Governor Patten on Visit to Tokyo	3
'Optimistic' About PRC [KYODO]	3
Discusses Hong Kong, U.S. Dollars [KYODO]	3
Taiwan's Negotiator Hopes to Meet PRC Counterpart [KYODO]	3
Tokyo Said Increasing Investment in India [KYODO]	4
Government Panel Calls For Adherence to Free Trade [KYODO]	4
Study Shows Consumers Penalized by Trade Barriers [KYODO]	4
Textile Group Drops Efforts To Limit Imports [KYODO]	5
Committee Urges Consultations on Diplomacy [KYODO]	5
Official Rejects Criticism [KYODO]	6
Coalition's Budget Outline To Curb Defense Spending [KYODO]	6
JDA on Possible Weapons Cuts [KYODO]	6
JCC Opposes Further Defense Cuts [KYODO]	7
SDPJ Agrees to U.S. Forces Spending [ASAHI SHIMBUN 14 Dec]	7
Delay in New Welfare System for Elderly Likely [KYODO]	7
'Murayama Vision' Sets Priority Tasks for Cabinet [KYODO]	8
Murayama Supporters on New Party Formation [KYODO]	8
Shinshinto Registers as Lower House's Component [KYODO]	9
Shinshinto To Launch UK-Style Shadow Cabinet [KYODO]	9
SDPJ's Kubo Gives Up Plans for New Party by Jan [KYODO]	9
Sakigake To Allow Non-Japanese Membership [KYODO]	10
Industries, Firms Resuming Political Donations [KYODO]	10
Igarashi Comments on Donations [KYODO]	11
100 Billion Yen Fixed-Assets Tax Cut Decided [KYODO]	11
Outline of Proposals [KYODO]	11
Executives Disappointed Over Tax Reform Plans [KYODO]	12
Outline of Government Panel's Tax Reform Plan [KYODO]	12
Minister To Keep Consumer Rice Price Flat [KYODO]	12
Recommended by Council Also [KYODO]	13
Further on Rice Prices [KYODO]	13
Farmers Selling More Rice Directly to Consumers [KYODO]	13
Food Law To Be Revised in Response to WTO Founding [KYODO]	14
'Zenchu' Accepts Paddy Cutbacks for More Subsidies [KYODO]	14
Murayama Accepts 2.8% Real Growth Forecast [KYODO]	15
BOJ Reports Money Supply Grows 2.6% in Nov [KYODO]	15
TSE To Introduce New Computer Ordering System [KYODO]	15
Article Explains Pension System Reform [NIHON KEIZAI SHIMBUN 27, 28 Oct]	16
Corporation Reform Becomes Urgent Coalition Task [NIHON KEIZAI SHIMBUN 13 Dec]	18
'Consumer-Friendly' Industrial Standards Planned [KYODO]	19
Panel Promotes Information Superhighway Project [KYODO]	19
NTT Develops New Transistor for Further LSI [KYODO]	20
SDPJ Against SDF Communications Base on Okinawa [OKINAWA TIMES 12 Dec]	20
MITI To Develop Advanced Light Water Reactor [YOMIURI SHIMBUN 10 Dec]	21

Outline of Government's New Energy Program	[YOMIURI SHIMBUN 10 Dec]	21
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North Korea

PRC MAC Delegation Leaves Pyongyang 15 Dec	[Pyongyang Radio]	21
Rabin's Remarks on Missiles Sale 'Unreasonable'	[KCNA]	22
Hanchongnyon Demands Immediate Release of Official	[KCNA]	22
Pomminnyon Denounces Fabrication of Spy Case	[KCNA]	22
Koreans Overseas Urge Repatriation of Prisoners	[KCNA]	23
ROK Red Cross Urged To Repatriate Prisoners	[KCNA]	23
ROK Group Urges Indictment of 12 Dec 'Rebels'	[KCNA]	23
13 Dec U.S. Aerial Exercises Denounced	[KCNA]	23
Japanese Guideline Denounced as Militarism Pretext	[KCNA]	24
Repatriation of Koreans in Japan Commemorated	[KCNA]	24
Speeches, Slogans Reported	[Pyongyang Radio]	25
Anniversary of Relations With Cambodia Marked	[KCNA]	26
Pakistani President Urges Visit by Kim Chong-il	[KCNA]	26
Foreign Unions Hold Korean Solidarity Meeting	[KCNA]	27
Envoy to PRC on Kim Chong-il's Succession	[AFP]	27
Novichenko's Family Sends Thanks to Kim Chong-il	[KCNA]	28
Chongnyon Organizations Send Letters to Kim	[KCNA]	28
Kim Chong-il's Socialism Work Studied Abroad	[KCNA]	28
Kim Chong-il's Benevolence Toward People Viewed	[KCNA]	29
North Hwanghae Reports Increase in Export Goods	[MINJU CHOSON 15 Nov]	30
Implementation of Economic Strategy Urged	[MINJU CHOSON 12 Nov]	30
Importance, Nobility of Word 'People' Stressed	[KCNA]	32

South Korea

U.S. Draft of Reactor Project Foreshadows Debate	[YONHAP]	32
DPRK's Kim Yong-nam on Inter-Korean Talks	[Seoul Radio]	33
'Orderly Approach' to N-S Economic Ties Urged	[YONHAP]	33
N-S Relations in Post-Kim Il-song Era Viewed	[YONHAP]	33
North Said To Resume N-S Sports Exchanges	[YONHAP]	35
Report on North's Civil Liberties Rating Noted	[YONHAP]	35
Li Peng Canceled North Visit Due to Kim's Death	[YONHAP]	36
Rabin: DPRK Supplies Scuds to Iran, Syria	[YONHAP]	36
Middle East Decides on Heavy Oil for DPRK	[MUNHWA ILBO 14 Dec]	37
Seoul on Middle East Conference Participation	[YONHAP]	37
Sunkyoung Plans To Invest in PRC Over 10 Years	[YONHAP]	37
First Required Farm Imports Under UR Pact Made	[YONHAP]	38
South African Envoy on Commercial Relations	[THE KOREA HERALD 15 Dec]	38
DLP, DP Agree to Ratification of WTO Accord	[YONHAP]	39
Committee Votes on Ratification	[YONHAP]	39
DLP Plans Leadership System Reorganization	[YONHAP]	39
Enterprises Agree To Accept Surplus Officials	[YONHAP]	39
Retired General in 18 May Uprising Case Summoned	[YONHAP]	40
Kim Tae-chung's Nobel Prize Candidacy Viewed	[YONHAP]	40
Defense College Conducts Poll on Security	[YONHAP]	40
DLP Stresses Economic Support of Democracy	[YONHAP]	41

SOUTHEAST ASIA

Burma

UN Committee Deplores Human Rights Violations	[THE NATION 15 Dec]	42
Lieutenant General Tin U Receives PRC Group	[Rangoon Radio]	42
Karen Rebels Said Holding Negotiators Hostage	[BANGKOK POST 15 Dec]	42
* Divisions Among Border Karen Groups Viewed	[SIAM RAT SAPDA WICHAN 6-12 Nov]	43

Cambodia

Australia Signs A\$92 Million Aid Package [CAMBODIA TIMES 4-10 Dec]	44
Commentary Calls for Respect for Human Rights [Phnom Penh Radio]	44

Philippines

Senate Votes To Ratify GATT Agreement	45
Vote Ends 'Acrimonious' Debate [Quezon City TV]	45
Ramos Welcomes Ratification [Quezon City Radio-TV]	45
Visit of Thai Foreign Minister Reported	45
Discusses Regional Issues [BANGKOK POST 15 Dec]	45
Meets With Counterpart [Bangkok Radio]	45
'Suspected' MILF Rebels Kill Policemen [Quezon City TV]	46
Military Claims Communist Drive 'Failure' [BUSINESS WORLD 13 Dec]	46
Leftist Leader Profiles New Sanlakas Group [BUSINESS WORLD 13 Dec]	47

Thailand

Cambodian Foreign Minister Continues Visit	47
Views Relations, ASEAN Membership [BANGKOK POST 15 Dec]	47
Speaks at Sea Law Conference [BANGKOK POST 15 Dec]	48
Army Officer on Fighting Among Burma Rebel Groups [BANGKOK POST 15 Dec]	49
Group of 209 Refugees Returns to Laos [BANGKOK POST 15 Dec]	49
Supreme Commander on Solving Coalition Crisis [Bangkok Radio]	49
Phalang Tham Party 'Rebels' Reject New Coalition [Bangkok International]	49

Vietnam

Article Reviews 1994 Relations With U.S. [Hanoi Radio]	49
* Nguyen Manh Cam Interviewed on Europe Tour [SAIGON GIAI PHONG 31 Oct]	51
Radio Reviews Economic Activities in 1994 [Hanoi International]	53
Court Upholds Policeman's Death Sentence [Hanoi Radio]	53
* Congress on Party Renovation Reviewed [NHAN DAN 24 Oct]	53

AUSTRALASIA

Australia

Trade Minister on 'Major' Benefits of WTO [THE AUSTRALIAN FINANCIAL REVIEW 2 Dec]	57
Editorial Views Canberra's Trade Reform Programs [THE AUSTRALIAN FINANCIAL REVIEW 29 Nov]	57
1994 Defense White Paper Examined, Viewed	58
Focuses on PRC Power, Influence [THE AUSTRALIAN FINANCIAL REVIEW 1 Dec]	58
More Spending on Military Equipment [THE AUSTRALIAN FINANCIAL REVIEW 1 Dec]	58
Editorial Assesses Defense Needs [THE AUSTRALIAN FINANCIAL REVIEW 2 Dec]	59
Commentary Examines Paper's 'Vision' [THE AUSTRALIAN FINANCIAL REVIEW 1 Dec]	60

Japan

Murayama To Meet Clinton in Washington 11 Jan

OW1512103594 Tokyo KYODO in English 1020 GMT
15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Prime Minister Tomiichi Murayama will meet U.S. President Bill Clinton in Washington on Jan. 11 to compare notes on the future course of Japan-U.S. ties, a government spokesman said Thursday [15 December].

"The two countries agreed that the premier and President Clinton will hold a summit in Washington on Jan. 11," Chief Cabinet Secretary Kozo Igarashi told a news conference.

"It will be of great significance if the premier visits the U.S. in the beginning of the next year, which marks the 50th anniversary of the end of World War II," he said.

While noting that the specific itinerary and items for discussion at the summit have yet to be fixed, Igarashi said Murayama may leave Japan on Jan. 10 and return home on Jan. 13.

It will be Murayama's first journey to the United States and his third encounter with Clinton since assuming office in June.

The premier met Clinton at this year's summit of the Group of Seven major industrialized nations in Naples in July and at the informal summit of leaders of the Asia-Pacific Economic Cooperation forum in Indonesia in November.

Murayama and Clinton are expected to reaffirm the spirit of cooperation between the two countries at a meeting of the APEC forum in Osaka in the fall of next year, government sources said.

They are also likely to discuss Japan's efforts to push for deregulation and the operation of the World Trade Organization (WTO), a new world trade watchdog to replace the General Agreement on Tariffs and Trade, the sources said.

Igarashi revealed that Tokyo is also planning a stopover by the premier in Canada, adding that Murayama will depart on Jan. 9 and return on Jan. 14 if he also visits Canada.

Canada is the host nation of next year's G-7 summit in Halifax in June.

Murayama will be accompanied by Foreign Minister and Deputy Prime Minister Yohei Kono and Deputy Chief Cabinet Secretary Hiroyuki Sonoda, according to Igarashi.

Later Thursday, Murayama told a meeting of government and ruling party leaders that he views his planned visit to the U.S. as "significant," Sonoda said at a separate news conference.

"I consider the visit significant in further augmenting Japan-U.S. relations as the next year marks the 50th anniversary of the end of the war," the premier was quoted as saying.

Steel Industry Leader Refutes U.S. Complaint

OW1512050794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Dec 94 Morning Edition p 13

[FBIS Translated Text] Japan Iron and Steel Federation Chairman Hiroshi Saito said no international cartel exists between Japanese and European steelmakers. In the 13 December news conference, Saito referred to the cartel claim indicated by the U.S. Trade Representative's Office and steelmakers, and said: "There is no such great mechanism."

Saito noted Japanese blast furnace companies voluntarily restrained exports to Europe from 1972 to 1990, and said: "The United States may be taking this for a cartel."

In refutation of the U.S. criticism, Saito stated: "While they loudly claim damage to the United States caused by the Japanese-European cartel, they have never clarified what kind of damage they have actually suffered." Saito said Japanese steelmakers' voluntary restraint of exports was also implemented regarding the United States, and then stressed: "We drastically reduced exports to the United States until those became even lower than the level of self-set limitation."

Officials 'Cautious' on Purchase of UX Aircraft

OW1412145794 Tokyo KYODO in English 1437 GMT
14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—Both government leaders and political party officials remained cautious Wednesday [14 December] toward the proposed purchase of the U.S.-made Gulfstream as the Air Self-Defense Force's proposed next-generation, multipurpose military aircraft, dimming its prospect of being included in next year's defense budget.

The cautious mood grew at a House of Councillors cabinet committee meeting when the governing coalition's majority member Liberal Democratic Party (LDP) and the opposition Japanese Communist Party demanded that the selection process for the aircraft be reopened.

A defense agency report on the choice of aircraft for the ASDF has recommended the Falcon 900 from France along with the agency's favorite, the Gulfstream from the United States.

The process of deciding on the new plane, code-named UX, is a politically charged matter because the agency has already chosen the Gulfstream IV from the U.S. without open public debate.

But at the committee meeting, a top member of the government appeared to recognize the opinion of opponents of the choice when he said it is a matter of "gaining the understanding" of Diet members who are querying the proposed purchase.

ASDF sources said some members of the ASDF are also asking whether it might be better to postpone the decision.

Prior to the Finance Ministry's drafting of its budget allocation, the government will convene a meeting Tuesday of four cabinet ministers entrusted with the final decision, officials said.

The four—Defense Agency Director General Tokuichiro Tamazawa, Chief Cabinet Secretary Kozo Igarashi, Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura—have been given a mandate to select the plane.

It could be used as a midair command base, for transporting very important persons (VIPs) and for supervising military drills.

Igarashi told the committee that he had "listened to those opinions which should be given a good hearing and... The four ministers will discuss it."

Kono expressed the need for handling the decision on the type of aircraft "cautiously."

Tamazawa reacted strongly to suggestions the decision-making process should start again, saying that if possible an allocation for the purchase should be included in the budget draft. But LDP member and former Labor Minister Masakuni Murakami called for a freeze on the selection but urged that money for the purchase be budgeted for.

The agency reportedly picked the Gulfstream in August over two other candidates, the Falcon and Challenger 601 of Canada.

The selection became an international political issue after the agency's decision on the Gulfstream was reported in August.

French Prime Minister Edouard Balladur sent a letter to Japanese Prime Minister Tomiichi Murayama calling for a fair and transparent selection process, while Canadian Foreign Minister Andre Ouellet also placed some marketing pressure on the government.

The UX, expected to replace the current six-person B-65, is said to cost 3 billion yen per aircraft.

Foreign Chip Share Reaches 'Record Highs' Jul-Sep

OW1512141494 Tokyo KYODO in English 1404 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Foreign-made semiconductor chips continued to capture

20 percent of the Japanese market in the July-September quarter, with the latest figures marking record highs under both Japanese and U.S. formulas, Japan's trade ministry and the U.S. trade representative said Thursday [15 December].

The foreign chip share of 23.4 percent under the Japanese formula follows the 22.5 percent share in the April-June quarter, while the figure stood at 23.2 percent under the U.S. method, up from 21.9 percent.

Demand for foreign semiconductors has been rising in Japan in the past two quarters, MITI said.

A bilateral chip accord calls for Japan to maintain "a gradual and steady increase" in the foreign share above the 20 percent level.

The accord adopts two different methods for calculating the foreign share in Japan.

The United States counts only the sales of foreign chips in the open market, while the Japanese formula allows a broader measurement that includes so-called "captive" sales of U.S. companies to their Japanese subsidiaries and those by Japanese firms under foreign brand names.

Government Approves Uruguay Round Appropriations

OW1512121294 Tokyo KYODO in English 1157 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The government plans to earmark a total of 1,009 billion yen in initial-year appropriations under a package aimed at softening the blow the Uruguay Round trade-liberalizing accords will have on farmers, officials said Thursday [15 December].

The Finance Ministry and the Ministry of Agriculture, Forestry and Fisheries obtained the ruling coalition's agreement Thursday on the proposed appropriations under a fiscal 1994 supplementary budget and a fiscal 1995 draft budget, the officials said.

The government had earlier announced a six-year, 6.01 trillion yen package to protect farmers from expected competition from imports under the new global trade pact.

The global trade agreement is slated to take effect Jan. 1, requiring Japan to open its markets to imports of rice and other agricultural products.

The proposed initial-year appropriations amount to more than one-sixth the total package the government adopted to help farmers from effects of the accord, the officials said.

Of the proposed 1,009 billion yen appropriations, national government spending will account for 498.5 billion yen, they said.

Under present plans, 447.0 billion yen in national government spending will be appropriated under the fiscal 1994 supplementary budget and the remainder under the fiscal 1995 draft budget, they said.

The proposed spending will be financed partly by the issuance of construction bonds, the officials said.

Hong Kong Governor Patten on Visit to Tokyo

'Optimistic' About PRC

*OW1512093094 Tokyo KYODO in English 0857 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Hong Kong Gov. Chris Patten said Thursday [15 December] he is optimistic that China will continue to prosper after the death of veteran leader Deng Xiaoping.

Patten told a news conference at the Japan National Press Club, "1.2 billion people discovering market forces has to be a good thing."

Saying China is facing various problems as it undergoes a huge social and economic transformation, Patten said, "I remain confident that it is vastly in the region's and the world's interest that China continues to grow and prosper and succeed."

Two major motors of global growth in the 21st century will be the increase in individually disposable income in China and India, he said.

He defended his electoral reform bills, which provide for a higher ratio of popularly elected legislators in Hong Kong's 60-member Legislative Council in the 1995 elections, saying they were in line with the 1984 Sino-British Joint Declaration.

If China makes true its threat to disband Hong Kong's legislature after the territory's return to Chinese sovereignty in July 1997, Beijing "will have to explain the reasons for that to the people of Hong Kong," he said.

Asked whether Britain has any leverage left in negotiations with China, Patten said, "leverage implies wrestling. I don't think that we quite see things like that."

Commenting that negotiations with China are "not always an entirely straightforward business," Patten said both sides should try to secure the well-being of Hong Kong despite the difficulties of realizing the idea of "one country-two systems."

Patten arrived in Japan from South Korea on Tuesday for a four-day official visit, his second as Hong Kong governor, with a focus on economic issues.

In meetings with Japanese politicians, including Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono, Patten stressed the importance of bilateral business relations and tried to dispel doubts about the territory's smooth transition to Chinese rule.

Discusses Hong Kong, U.S. Dollars

*OW1512064394 Tokyo KYODO in English 0633 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The current fixed rate of the Hong Kong dollar to the U.S. dollar should be maintained after the 1997 return of Hong Kong to China, Chris Patten, governor of the British territory, said Thursday [15 December].

The fixed exchange rate scheme is vital for Hong Kong's economic growth, Patten said, adding he hopes China agrees with that. Patten, in Tokyo for a four-day visit that began Tuesday, made the comments at a meeting of economic and business experts of Hong Kong and Japan. He also said that Hong Kong is negotiating with China not to change the territory's economic system after the transfer of sovereignty.

Japanese business sectors do not need to worry about the future economic situation of Hong Kong and should not refrain from making fresh investment, he stressed. The ongoing deregulation and market-opening moves in Japan are beneficial for not only Japan but also other Asian countries, Patten said and urged Japan to open its doors wider to imports.

Taiwan's Negotiator Hopes to Meet PRC Counterpart

*OW1512025794 Tokyo KYODO in English 0243 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Koo Chen-fu, Taiwan's chief negotiator in quasi official talks with China, said Thursday [15 December] night [as received] he hopes to meet his Chinese counterpart Wang Daohan for another round of talks soon.

"We would like to hold the next round of negotiations in Beijing, and the following round in Taipei," Koo said in a meeting with Japanese reporters in Tokyo.

The chairmen of Taiwan's Straits Exchange Foundation (SEF) and China's Association for Relations Across the Taiwan Straits (ARATS) first met in April 1993 on neutral ground in Singapore.

The landmark meeting ended more than four decades of silence between China and Taiwan and produced an accord on ways to promote economic, social, cultural, scientific, youth and media exchanges.

A sixth round of technical talks on bilateral issues was held in Nanjing, China in late November, but failed to finalize agreements on the repatriation to China of hijackers and illegal immigrants.

SEF and ARATS are quasi official bodies which were set up in 1991 to handle increasing exchange between the two neighbors across the Taiwan Strait.

Koo also said he does not think that the recent election success of Taiwan's opposition Democratic Progressive

Party (DPP), which advocates Taiwanese independence, will "adversely affect China-Taiwan relations." Beijing opposes any moves toward autonomy for Taiwan, which it regards as part of China.

The DPP captured the mayor's post in Taipei, the island's largest city. Koo is in Japan for regular talks with Japanese business representatives.

Tokyo Said Increasing Investment in India

OW1412115394 Tokyo KYODO in English 0854 GMT 14 Dec 94

[FBIS Transcribed Text] New Delhi, Dec. 14 KYODO—Shedding its previous caution, Japan has been actively investing in India this year, encouraged by the country's improved infrastructure.

Thanks to the enthusiastic activities of U.S. and European firms, India's telecommunications and utility networks have begun to be established, paving the way for Japanese companies to finally start business, industry experts say.

Since Japanese firms typically excel in making value-added products, India's poor infrastructure in the past has deterred them from investment, despite the economic reform that started there in 1991.

Now there is a feeling of optimism among Japanese companies as they witness the relative success that the U.S. and European forerunners are having, and also see the potential of the Indian market, following those in China and Southeast Asia.

From January to late September, Japan invested a total of 3.55 billion rupees in India, a considerably larger sum than the 2.57 billion rupees it invested in the full year of 1993.

During the same period, foreign companies applied for investment totaling approximately 48.3 billion rupees (about 159 billion yen), India's official figures show.

The top investor was the United States with investment standing at 14.3 billion rupees, followed by Germany with 5.2 billion rupees. The third biggest investor was Italy with 3.58 billion rupees, while Britain, in fifth place, was only slightly behind Japan with 3.53 billion rupees.

Government Panel Calls For Adherence to Free Trade

OW1412141394 Tokyo KYODO in English 1300 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—An advisory panel called on the government Wednesday [14 December] to adhere to the free trade system and oppose protectionism in world trade, group officials said.

The World Economy Committee of the Economic Council, an advisory organ for the prime minister, made

the appeal in a report on Japan's approach to world trade after the Uruguay Round of global trade negotiations.

The report appealed to the government to oppose calls in some western nations for import restrictions on low-wage countries which ignore labor standards because such moves tend to lead to protectionism.

As for environmental protection measures such as reductions of ozone layer-destroying chemicals such as chlorofluorocarbon (CFC) gases, the report called for promotion of such efforts with the necessity of imposing trade restrictions in mind, the report said.

Referring to remarkable economic growth in Asian countries, the report said invoking provisional safeguard measures against them will not lead to a settlement of fundamental problems.

It stressed the need for Japan to appeal for industrial restructuring in developing nations.

Study Shows Consumers Penalized by Trade Barriers

OW1412235194 Tokyo KYODO in English 2318 GMT 14 Dec 94

[FBIS Transcribed Text] Washington, Dec. 14 KYODO—Japanese trade barriers inflicted a heavy cost upon Japanese consumers, ranging from 10 trillion yen to perhaps as high as 15 trillion yen in 1989, according to a new study by three Japanese economists.

That extra cost borne by the Japanese consumers would be equivalent to between 2.6 percent and 3.8 percent of the nation's Gross National Product (GNP) in that year.

The study, conducted on behalf of a U.S. economic policy think tank, said the structure of Japanese protection—both in the form of tariff and nontariff barriers—most severely inflates prices for industries in which Japan is least competitive internationally.

The industries most affected, the authors said, are agriculture, raw materials, and low-tech manufactured products.

The authors—Yoko Sazanami, professor at Keio University, Shujiro Urata, professor at Waseda University and Hiroki Kawai, research associate at the Japan Center for Economic Research—said inflated Japanese prices for food and beverages alone account for half of the cost of Japanese protection to consumers.

"If prices of domestic goods in these and other sectors were allowed to fall toward world levels, Japanese consumers would benefit significantly and the Japanese economy would become more efficient," the Institute for International Economics said in releasing the study, "measuring the costs of protection in Japan."

The authors said they found that the gains from trade protection went mostly to Japanese producers, and not the Japanese Government.

The Japanese Government collected only around 300 billion yen in tariff revenues in 1989, the year chosen for the study, while Japanese producers pocketed between 7.0 trillion and 9.6 trillion yen as a result of inflated domestic prices.

The net cost to Japanese society as a whole amounted to somewhere between 1.1 trillion yen and 2.4 trillion yen, the authors said.

If all the implied barriers had been removed, the authors calculated that Japanese imports of highly protected products might have increased by as much as 7.3 trillion yen.

The study argued, however, that complete liberalization of the Japanese market would not reduce Japan's trade surplus to the same extent.

Instead, the authors said, reallocation of resources within Japan and downward pressure on the yen would increase exports by nearly the same amount as the gain in imports.

Textile Group Drops Efforts To Limit Imports

*OW1412124594 Tokyo KYODO in English 1042 GMT
14 Dec 94*

[FBIS Transcribed Text] Osaka, Dec. 14 KYODO—A Japanese textile group said Wednesday [14 December] it is halting efforts to have cotton thread and other imports curbed after China recently decided to limit its textile exports.

The Japan spinners association is putting off a request to the Ministry of International Trade and Industry (MITI) to initiate safeguards designed to protect the domestic textile industry, said the association's president, Sadao Hirose.

"For the industry, there's a strong desire to make the request quickly, but if we issue the request it will irritate China more than necessary," Hirose told a regular news conference. "The first thing is to get China to earnestly implement its voluntary restrictions."

But the spinning industry is ready to request protection from the ministry if Chinese imports expand later, he said, adding the group wants to see half-year figures.

China said this month it will curb its exports of textile products starting next month in a move seen as trying to prevent MITI from starting the import-limit process under a global trade multifiber agreement to protect the Japanese industry.

Japanese textile-related companies have been hard hit by an import surge due to the high yen, but MITI had asked the industry to hold back from triggering protectionist moves to give China a chance to respond on its own.

The group does not plan to seek individual protection from South Korean or Indonesian exports either, Hirose

said, indicating the industry will seek similar export restraint on a private basis while conferring with MITI.

The association had planned to seek protection from imports of No. 40 count cotton thread as well as poplin and broad cloth.

Committee Urges Consultations on Diplomacy

*OW1512052294 Tokyo KYODO in English 0456 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The ruling coalition parties' Committee on Foreign Policy Coordination Thursday [15 December] urged the Foreign Ministry to consult further with the committee in advance before making decisions on important foreign policies, ministry officials said.

Naoki Tanaka, head of the committee, made the call by handing a letter to Foreign Minister Yohei Kono, the officials said.

The committee said in the letter that there have recently been some incidents that raise questions on the ministry's handling of crucial diplomatic affairs.

One of them is Japan's abstention from a recent voting on an Indonesian-proposed draft resolution on nuclear weapons at a UN committee, the letter said.

The draft resolution urged the International Court of Justice to give an advisory opinion on the legality of the threat or use of nuclear weapons.

The letter questioned whether it was correct to abstain from the voting as Japan is the only country to have suffered atomic bombings, adding that such an important decision should only have been made after consultations with the ruling parties.

Also on peacekeeping operations, the letter suggested that coordination with the Foreign Ministry, defense agency and the cabinet are necessary to make timely and adequate political judgments.

Earlier this week, cabinet ministers urged caution in sending a government mission to the Golan Heights to weigh Japan's participation in UN-led peacekeeping mission there.

The ministers criticized the Foreign Ministry for taking it for granted that Japan should join all peacekeeping operations when requested to do so by the United Nations.

The ruling parties' committee also urged the foreign ministry to make a strict judgment on whether Japan's guidelines for extending Official Development Assistance (ODA) is sufficiently applied to the recipient countries.

The ministry should see to it that the guidelines, which call for taking into account such things as the recipient country's military expenditures, export or import of

weapons, human rights and efforts for democratization, are applied before extending the ODA, the committee said in the letter.

Official Rejects Criticism

OW1512104794 Tokyo KYODO in English 1033 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The Foreign Ministry has never bypassed consultations with political leaders before making any decisions on important foreign policies, a top Foreign Ministry official said Thursday [15 December], responding to criticism from cabinet ministers and the governing parties.

The remarks follow statements by cabinet ministers earlier this week and a request by the ruling parties' committee on foreign policy coordination earlier in the day.

Naoki Tanaka, head of the committee, handed a letter to Foreign Minister Yohei Kono urging the ministry to further consult with the committee in advance before making decisions on important foreign policy matters.

The ministry official, who spoke on condition of anonymity, said he believes the ministry has always consulted with the prime minister's official residence before making decisions.

In the letter, the committee criticized the ministry for not consulting the committee in advance on some recent matters, such as Japan's abstention from voting on a draft resolution on nuclear weapons in a United Nations committee.

The letter questioned whether it was correct, as the only country to have been attacked with atomic bombs, to abstain from voting on the resolution which called for urging the International Court of Justice to give an advisory opinion on the legality of the threat or use of nuclear weapons.

The committee also cited further consultations on peacekeeping operations before making any decisions.

Earlier this week, cabinet ministers urged caution in sending a government mission to the Golan Heights to weigh Japan's participation in a UN-led peacekeeping mission there.

The ministers criticized the Foreign Ministry for taking it for granted that Japan join every peacekeeping operation the UN asks Japan to participate in.

The top ministry official said Japan has declined "quite a few" requests to join peacekeeping operations, such as those in Somalia and in the former Yugoslavia.

In other areas, the committee urged the ministry to make sure Japan's guidelines for extending official development assistance is sufficiently implemented.

Coalition's Budget Outline To Curb Defense Spending

OW1512130094 Tokyo KYODO in English 1235 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The three-party ruling coalition will seek to curb growth in defense spending under a fiscal 1995 government budget, coalition officials said Thursday [15 December].

The Social Democratic Party [of Japan] (SDP) [SDPJ] of Prime Minister Tomiichi Murayama, the Liberal Democratic Party (LDP) and the New Party Sakigake [SDPJ] said in a proposed eight-point outline of the budget that it will seek to curb defense spending as much as possible.

The outline, which reflects the SDPJ's pacifist resolve, was worked out at a policy coordination meeting of the three parties on Thursday.

It said the coalition will listen to varied opinions of the public to work out and implement policies, instead of engaging in "ideological disputes."

As part of administrative and fiscal reforms, the coalition will urge an implementation of further economic deregulation, abolition and mergers of government-backed organizations, and reorganization of government ministries and agencies, the document said.

In addition, it called for implementation of stronger employment measures, especially for jobless workers and new school graduates.

JDA on Possible Weapons Cuts

OW1512121694 Tokyo KYODO in English 1150 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—With pressure rising to curb military spending growth, The Japan Defense Agency (JDA) began studying cuts Thursday [15 December] on frontline weapons for fiscal 1995 that could further crimp its five-year spending plans, government officials said.

Taku Yamazaki, head of a ruling coalition panel debating the defense budget for the year starting in April, said the group had given the agency a compromise proposal for no growth or even cuts in spending on such frontline weaponry as fighters and tanks and that the agency was studying the proposal.

Difficulties appeared to loom on the defense budget, however, as the Social Democratic Party [of Japan] (SDP) [SDPJ] of Prime Minister Tomiichi Murayama is pushing to further trim the 0.9 percent defense spending rise, to 4.73 trillion yen, that the coalition parties set in a July budget ceiling agreement.

The other coalition members, the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger], as

well as the Defense Agency, want to hold the line on the 0.9 percent rise from the initial fiscal 1994 budget, officials said.

Chief Cabinet Secretary Kozo Igarashi, an SDPJ lawmaker, urged members of the coalition panel to trim defense outlays to less than the 0.9 percent rise, officials said.

"We would like you to try to curb defense costs as much as possible," Igarashi was quoted as telling fellow socialist and panel member Masaru Hayakawa, who gave him the panel's interim report. "In particular, we expect debate on curbing frontline weapons."

Curbing spending on frontline weapons, set in the budget ceiling at growth of 4.5 percent to 920 billion yen on a contract basis, could force a revision of the Defense Agency's fiscal 1991-1995 midterm plan, which was already lowered in 1992, the officials said.

The yen's rise has already caused, in essence, a cut to 890 billion yen in the expected frontline spending in yen terms, so a further 8 billion yen reduction would bring frontline spending below its fiscal 1994 level, they said.

The agency is examining how to spread further cuts fairly among the land, sea and air self-defense forces, they said.

Agency sources said the agency has formally decided to pay the full 24.3 billion yen originally set for expenses incurred by U.S. military forces in Japan, such as salaries of Japanese base personnel, rents and utilities.

The agency will seek the coalition panel's approval Friday for the decision, scrapping a plan to pay only 11.8 billion yen, the sources said. To make up the 12.5 billion yen shortfall, the agency will extend the retirement age of several ranks of Japanese field officers and incorporate savings from the yen's rise, they said.

JCC Opposes Further Defense Cuts

*OW1512105094 Tokyo KYODO in English 1008 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Japanese industrial chieftain and big military contractor Kosaku Inaba called Thursday [15 December] for a stem in cuts to the growth of the fiscal 1995 defense budget.

"It's already been restrained so much, any more cuts would weaken the defense base," said Inaba, president of the Japan Chamber of Commerce [JCC] and Industry and of Ishikawajima-Harima Heavy Industries Co.

The ruling coalition parties agreed in July on a 0.9 percent budget growth ceiling for defense from the previous initial budget, for spending of some 4.73 trillion yen for the year starting in April. But the Social Democratic Party [of Japan], headed by Prime Minister Tomiichi Murayama, has been pressing for a further shaving of that growth.

"If you look at the contents of the budget, front-line weaponry is being pressed," Inaba, whose company is a main military contractor, told a news conference. "The industry's existence is also important. Any further squeezing is unrealistic."

The prospect of further cuts in front-line weapons emerged earlier Thursday, when the head of a ruling coalition group studying the issue said the group has asked the Defense Agency to consider a compromise plan to freeze or even cut spending on such front-line weapons as tanks and fighters.

Taku Yamazaki, a Liberal Democratic Party member of the House of Representatives and former Defense Agency chief, told reporters the agency "has started a clerical consideration" of the proposal.

Yamazaki indicated the committee will likely miss its Friday deadline for settling the divisive issue.

The budget ceiling for front-line weapons spending was set at 4.5 percent growth to 920 billion yen.

SDPJ Agrees to U.S. Forces Spending

*OW1412134394 Tokyo ASAHI SHIMBUN in Japanese
14 Dec 94 Morning Edition p 3*

[FBIS Translated Text] The three ruling parties held a meeting of the Defense Affairs Coordination Council on 13 December. As for the issue of increasing the amount of the cost of maintaining U.S. Forces Japan [USFJ] under the special agreement, which has become a focal point in compiling budget for fiscal 1995, Masaru Hatakawa, chairman of the Security Affairs Division in the ruling Social Democratic Party of Japan [SDPJ], said, "It is inevitable to increase the amount of the cost of maintaining the USFJ out of consideration for the United States." In this way, the dietman indicated that the SDPJ will approve fully increasing the amount of the cost of maintaining the USFJ. The Defense Agency had to cut the originally planned increase in the amount of the cost by nearly one-half when it submitted a draft defense budget for fiscal 1995 to the Finance Ministry. The ruling Liberal Democratic Party and Sakigake [Harbinger] originally took a stance against capping the growth in the cost of maintaining the USFJ. With the SDPJ deciding to go along with the other ruling parties on the originally planned increase in the cost, the cost of maintaining the USFJ will be fully increased as planned.

Delay in New Welfare System for Elderly Likely

*OW1412023094 Tokyo KYODO in English 0153 GMT
14 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The Health and Welfare Ministry's new plan to enhance the nation's welfare system for the aged may not start in fiscal 1995 as originally scheduled, due to a lack of funds, ministry officials said Wednesday [14 December].

The Finance Ministry, ahead of compiling a draft fiscal 1995 budget, has agreed to draw up a budget for enlarging the present welfare system, but turned down a request that it start the new five-year welfare plan for the aged called "New Gold Plan" from the next fiscal beginning next April, the welfare ministry officials said.

Among the budgets the Finance Ministry has so far authorized in the draft are those for increasing the number of home helpers who take care of bedridden elderly people, by about 68,000, and for providing 50,000 more beds at special nursing homes for the aged.

As a result, the number of home helpers will be 168,000 and beds of special nursing homes will reach 290,000 by fiscal 1999.

Also, a budget has been unofficially approved for raising the number of "day service centers" which provide daily meals and bathing services to the aged by 3,000 to 10,000 and increasing the number of nursing homes that take care of the aged for short periods by 10,000 to 60,000.

But the Finance Ministry told Health and Welfare Ministry officials that the allocations were designed as additional budget allocations from the present welfare system for the aged.

The Finance Ministry said there will be no budget available for starting the "New Gold Plan," including such schemes as building 10,000 new regional rehabilitation facilities for bedridden old people and measures such as those designed to assist people with senile dementia.

To start the "New Gold Plan," the Health and Welfare Ministry is demanding a budget of about 330 billion yen for the first fiscal year, 1995.

The Health and Welfare Ministry, believing it necessary to begin the new welfare plan in fiscal 1995 anyway, is likely to keep further pressure on the Finance Ministry to squeeze more money out of the tight budget, the officials said.

A final settlement will be unlikely until the end of this month, when negotiations will take place between ministers to discuss the restoration of budget requests that have been cut from the fiscal 1995 budget draft, they said.

The coalition government, comprising the Liberal Democratic Party, the Social Democratic Party [of Japan] and New Party Sakigake [Harbinger], is also expected to seek an agreement among the concerned ministries to start the new welfare plan, government sources said.

'Murayama Vision' Sets Priority Tasks for Cabinet

OW1412141794 Tokyo KYODO in English 1304 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—Prime Minister Tomiichi Murayama detailed what he

considers the priorities of his coalition cabinet Wednesday [14 December], including clarifying the ideals of the pacifist constitution.

In a meeting with Liberal Democratic Party (LDP) and Social Democratic Party (SDP) [Social Democratic Party of Japan—DSPJ] lawmakers, the prime minister said the "Murayama vision" places priority on administrative reform, war compensation, creation of new businesses and clarification of the ideals of the constitution.

He said he will proclaim these areas early next year as high priority issues to be undertaken by the government.

He also warned against any rash actions within his party, the SDP, of forming a new party. Some high-ranking SDP members have recently urged disbanding the party to form a new force.

"The issue should be considered not from a narrow view of what to do with the SDP but from a wider view of how to transform our party as a liberal citizens' party," he said. "We should not make haste."

Meanwhile, LDP president and Foreign Minister Yohei Kono called on party executives to fully cooperate with the cabinet and do its utmost toward fiscal and administrative reforms.

In a hastily arranged meeting with the LDP's senior members, Kono stressed that the fate of the Murayama administration hinges on the outcome of the reforms.

"I ask for your leadership and stepped-up efforts" for the success of the reforms, he said.

The LDP is the largest force in the ruling coalition which includes Murayama's SDP and new party sakigake.

"The most important topic for the ordinary Diet session (which starts in January) is administrative reform," said Hiroshi Mitsuzuka, former chairman of the LDP's Policy Affairs Research Council. "What matters is the determination (of the cabinet)."

Murayama Supporters on New Party Formation

OW1412141194 Tokyo KYODO in English 1203 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—Supporters in the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] of party chairman and Prime Minister Tomiichi Murayama want to delay the creation of the proposed new party until at least after a House of Councillors election next summer, party sources said Wednesday [14 December].

The Murayama supporters said in a draft position paper on the new party proposal that the party should make every effort at the moment to win local elections scheduled for next spring and the upper house election.

The document, expected to be published Thursday, argues the new party should represent a new political

alliance of social democratic liberals rather than a "democratic and liberal" party as advocated by SDP secretary general wataru kubo.

The Murayama followers also view the Liberal Democratic Party (LDP) and New Party Sakigake, which constitute the ruling coalition along with the SDP, as fairly good partners.

"We should not stick to 'anti-LDP' or 'non-LDP' positions," says the document.

Another SDP group headed by former chairman Sadao Yamahana has been ~~moving~~ the launch of the new party in January.

Kubo's position paper on the issue, revealed Tuesday, urges the SDP to remain in power by transforming itself into a third bloc that is "anti-LDP and anti-Shinshinto."

Shinshinto (New Frontier Party) is a new party officially inaugurated Saturday out of a grand coalition among noncommunist opposition groups.

Shinshinto Registers as Lower House's Component

OW1512110494 Tokyo KYODO in English 1043 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The newly formed main opposition Shinshinto (New Frontier Party) registered as a parliamentary force Thursday [15 December] with the secretariat in the House of Representatives, Shinshinto officials said.

The new party which unified nine major opposition forces was inaugurated last Saturday.

With 178 lower chamber legislators, Shinshinto is now the second largest party in the lower house after the 200-strong Liberal Democratic Party, which constitutes the core of the ruling coalition of Prime Minister Tomiichi Murayama.

Murayama's Social Democratic Party [of Japan] ranks third with 72 members, followed by New Party Sakigake [Harbinger] with 21 and the Japanese Communist Party with 15. In sixth place is the New Democratic Club. There are 17 independents and three vacancies.

Shinshinto To Launch UK-Style Shadow Cabinet

OW1412151394 Tokyo KYODO in English 1448 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—Japan's main opposition Shinshinto (New Frontier Party) decided Wednesday [14 December] to launch a British-style shadow cabinet by the end of the year to initiate policy debate with the Cabinet of Prime Minister Tomiichi Murayama, party officials said.

The decision was made at a meeting of Shinshinto President Toshiki Kaifu and other top officials of the five-day-old grand opposition party with 214 legislators.

The Shinshinto leaders also decided to bring forward to later this month the planned announcement of a first batch of candidates the party will field in 300 new House of Representatives single-seat districts in both the House of Councillors election scheduled for next summer and the next general election.

The announcement, along with that of the lineup of other party executives, was originally scheduled for early January.

A Shinshinto executive said the decision to speed up the formation of the shadow cabinet, to be called the "tomorrow cabinet," as well as personnel selection, was taken because it believes the public "will judge shinshinto's ability" through parliamentary debate during the next regular Diet session that will convene in January.

The meeting also produced an accord to form a 60-staff secretariat for the party's national headquarters by soliciting eight staffers from the former shinseito, 15 each from the former Japan New Party and Komeito [Clean Government Party], 20 from the old Democratic Socialist Party (DSP) and two from the Jiyu Kaikaku Rengo (Liberal Reform Union), a group of relatively recent defectors from the Liberal Democratic Party.

Shinshinto has been scrambling to refurbish the former headquarters of the DSP in Tokyo's Toranomon as its new unified national headquarters, which is expected to open in early January.

The officials said the party is also rushing to form regional chapters in each of the 300 single-seat constituencies.

These regional chapters will open their own offices upon receiving approval from the national headquarters in accordance with a set of internal rules which Shinshinto calls its "manual", they added.

SDPJ's Kubo Gives Up Plans for New Party by Jan

OW1512110594 Tokyo KYODO in English 1042 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Wataru Kubo, secretary general of the ruling coalition member Social Democratic Party [of Japan] (SDP) [SDPJ], said Thursday [15 December] he has abandoned a plan to launch a new "democratic and liberal" party before the ordinary Diet session starts in January.

Kubo said in an interview with KYODO NEWS SERVICE that he instead aims to create a preparation committee in January for the proposed party.

The SDPJ's vocal reformist said, "I have a feeling that I should be directly involved in the moves to create the new party."

Kubo and former party Chairman Sadao Yamahana, who leads an SDPJ group, the New Democratic League, have been urging early embodiment of the new party plan. However, a significant number of party members, including the followers of Chairman and Prime Minister Tomiichi Murayama, have cautioned against hasty actions.

Kubo, while acknowledging he and Murayama agree on the need for a fresh party, conceded there is a rift in the procedure.

"Chairman Murayama and I are completely in agreement in that we need a new party," Kubo said. "But there are some differences to be ironed out over the time frame or the method for achieving the goal," he said, adding that the gap can be bridged.

He said the party should hold an emergency convention in January to discuss the matter, pointing to the recent establishment of a new opposition party Shinshinto (New Frontier Party).

January is "good timing" for kicking off actions toward political realignment, which has seen renewed momentum by the birth of Shinshinto, he said.

Kubo said he want to convene a congress around Jan. 17 or 18.

The SDPJ's central executive committee largely endorsed Kubo's report on the project to be submitted to a meeting of local executive members of the party Sunday.

Murayama on Wednesday approved the report (SDP) [as received] urging the party to remain in power while transforming itself into a "third political axis."

The report also calls for a convention as soon as possible and a speedy enactment of the party plan.

Sakigake To Allow Non-Japanese Membership

OW1412140894 Tokyo KYODO in English 1250 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The governing coalition member New Party Sakigake decided Wednesday [14 December] to allow foreign residents in Japan to become members of the party under certain conditions.

The party's national organizing committee decided at a meeting to allow foreigners as party members if they have lived legally in Japan for more than five years.

The committee also approved a shorter residence requirement of more than two years for foreigners whose spouse is a Japanese national.

The party's branch organizations in Tokyo and several other prefectures, including Hyogo, Shiga and Shimane, have already introduced provisions on their rule books allowing foreigners as members.

Now that the party's central organization has ratified these moves, many of its other branches are likely to follow suit.

The largest coalition member, the Liberal Democratic Party (LDP), and the opposition Japanese Communist Party both stipulate that their members must be Japanese nationals.

The Social Democratic Party (SDP), the third coalition partner, has no rules covering the nationality of its members but shows no sign of moving to introduce specific provisions.

The largest opposition Shinshinto (New Frontier Party), which formally registered as a political party Monday, at one stage discussed the framing of rules covering foreign membership but has since shelved the issue.

Industries, Firms Resuming Political Donations

OW1512023794 Tokyo KYODO in English 0221 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Industry groups and major companies are beginning to donate money again to political parties following the inauguration last Saturday of Shinshinto (New Frontier Party), a survey conducted by KYODO NEWS SERVICE said Thursday [15 December].

The survey covered 20 leading industry associations such as the Japan iron and steel federation, as well as 20 major companies including Toyota Motor Corp. about their stance on political donations.

The Petroleum Association of Japan said it will donate 50 million yen to the Liberal Democratic Party (LDP), half the sum it donated last year. The association, which had stopped making donations this year because of political uncertainties, said it believes the reorganization is complete following the formation of Shinshinto.

Nippon Steel Corp., New Oji Paper Co., the Federation of Pharmaceutical Manufacturers' Association and Japan Chemical Fibers Association said they will donate to political parties, but amounts will be reduced.

The Japan Automobile Manufacturers Association said it is considering donating a maximum of 95 million yen to political parties.

Although many replied they are still undecided on political donations for the year, Nissan Motor Co. and Toshiba Corp. said they have already provided funds to political parties. NEC Corp. said it will provide funds to the LDP and Shinshinto.

Meanwhile, industry groups suffering poor business performance said they have stopped giving donations for 1994.

They are the Japan Iron and Steel Federation, Japan Petrochemical Industry Association, Japan Department Stores Association and Japan Chain Stores Association, the survey showed.

Concerning donations in 1995 and thereafter, most groups and companies, except six companies and seven groups which have never provided donations, said they have not yet decided.

In the previous survey in July, a majority of companies and groups said they were reviewing their donations to political parties, partly because the Federation of Economic Organizations (Keidanren) ceased its practice of arranging such donations.

They were also reluctant to donate money due to political uncertainties caused by the collapse of the LDP's single-party dominance.

However, because of Shinshinto's inauguration which has set a political framework by two big alternative parties, more companies and industry groups are responding to requests from politicians who are anticipating a general election as early as next year.

The Petroleum Association of Japan said, "there is no reason to quit relations with the political world (by stopping donations)."

Some companies and groups have resumed or will resume donations because they want to maintain ties with the country's current and future political leaders, analysts say.

Igarashi Comments on Donations

*OW1512031894 Tokyo KYODO in English 0310 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Industry groups and corporations should refrain from donating money to political parties, a government spokesman said Thursday [15 December].

"As the prime minister says, I hope they will basically refrain from doing so," Chief Cabinet Secretary Kozo Igarashi said at a news conference, commenting on the recent decision by many major business groups and firms to resume political donations.

Saying political reform efforts are being made and the public subsidies will be offered to political parties from state coffers beginning next year, Igarashi expressed hope that each party and politician will keep in mind the true nature of political donations.

Since the inauguration of Shinshinto (New Frontier Party) on Sunday, one major industry group and company after another have decided to begin donating money to political parties.

Last year, most economic groups and firms suspended their political funding with the emergence of some new conservative parties and amid a chorus of calls for a ban on political contributions from businesses.

However, the birth of Shinshinto, the result of a merger of nine noncommunist opposition forces, has set the stage for a two-party system in Japan and inspired more business groups and companies to resume their political funding.

100 Billion Yen Fixed-Assets Tax Cut Decided

*OW1412064294 Tokyo KYODO in English 0616 GMT
14 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The ruling coalition parties will propose fixed-assets tax cuts worth 100 billion yen in the fiscal 1995 tax revision, coalition officials said Wednesday [14 December].

A coalition project team on tax reform decided to include the measure in a fiscal 1995 tax revision framework slated for issue on Thursday.

Under the proposal, a method of adjusting burdens under the fixed-assets tax system will be overhauled to offer more tax cuts to Tokyo, Osaka and other big urban areas in line with their heavier tax burden due to higher land prices, the officials said.

Taxable land value is revised every three years, and in fiscal 1994 was raised to some 70 percent of officially set land prices, from 20 to 30 percent previously.

To ease the burden on taxpayers, the rate of tax increases in fiscal 1994 over the previous year's amount was limited to 20 percent for residential land and 25 percent for nonresidential land.

The recent fall in land prices, however, has led to a situation where market prices have dropped below officially assessed prices, mainly in major urban areas, thus inviting strong public criticism.

Some 20,000 objections have been filed with local fixed-assets assessment committees, according to local governments, which levy the tax.

Outline of Proposals

*OW1512104094 Tokyo KYODO in English 1012 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The following is an outline of the package of fiscal 1995 tax reform proposals adopted Thursday [15 December] by the ruling coalition parties.

—To reduce the tax rate on capital gains worth 40 million yen or less on land owned for five years or more from the current 39 percent to 32.5 percent.

—To cut by half taxable land values on public parking lots.

- To reduce the fixed property tax burden through special measures only for two years of fiscal 1995 and 1996.
- To abolish nine special national tax treatments, five of which are for corporations, including special depreciation system for assets to protect against earthquake disasters.
- To lower the upper income limit of households eligible for special treatments promoting housing acquisition from the present 30 million yen a year to 20 million yen.
- To continue studying whether to reduce the deductions for life and nonlife insurance premiums from taxable income and whether to abolish the tax exemption on small savings for the aged.
- To study the lowering of corporation taxes while expanding the base of taxable income.
- To study increased taxation of public corporations.
- To study whether to retain or abolish the taxation on securities transactions.
- To impose a 20 percent separate tax withheld at source on prizes of lottery-linked deposits.

Executives Disappointed Over Tax Reform Plans

OW1512125994 Tokyo KYODO in English 1242 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Japanese business leaders expressed disappointment Thursday [15 December] over the three-party coalition's proposed outline for fiscal 1995 tax reform.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said the proposal called only for "minor-scale reforms."

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said the coalition should work out tax reform plans by keeping in mind economic stimulation effects of lighter tax burdens.

He added such effects would eventually lead to higher tax revenues.

Takeshi Nagano, president of the Federation of Employers Associations (Nikkeiren), expressed disappointment over the reduction of tax breaks for companies and said proposed cuts in the corporate tax rates were not enough.

Outline of Government Panel's Tax Reform Plan

OW1512122194 Tokyo KYODO in English 1102 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The following is an outline of recommendations presented

Thursday [15 December] by the Tax Commission to Prime Minister Tomiichi Murayama.

- It is important to clearly explain specific action toward administrative and fiscal reform in relation to expected future fiscal needs.
- A study of taxation on assets needs to be conducted at the earliest opportunity to secure a balanced tax system.
- A numbering system for taxpayers, taking into account public opinion, needs to be studied.
- A study of the lowering of corporate tax rates is necessary.
- A study of the reduction of preferential tax treatment for individuals without exception, including measures to promote housing acquisitions, is necessary.
- Exceptional fixed-asset tax burden adjustments are inevitable.
- A study of the land-value tax needs to be conducted in line with a supplementary provision of the land-value tax law.
- Caution needs to be taken in studying the reduction of the capital gains tax on land so as not to break down the basic framework of the land tax system.
- A study of the taxation of securities transactions is necessary, taking into account the proper taxation of assets.

Minister To Keep Consumer Rice Price Flat

OW1512012894 Tokyo KYODO in English 0123 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Agriculture, Forestry and Fisheries Minister Taichiro Okawara asked the Rice Price Council on Thursday [15 December] morning to discuss his ministry's plan to keep consumer prices of rice grown this year unchanged and cut wheat and barley prices.

The council, an advisory body to the farm minister, is to present its recommendations later in the day, but is expected to basically agree to a freeze on consumer rice prices, at which the government sells regulated rice to wholesalers, at 18,123 yen per 60 kilograms.

The government and the ruling coalition agreed on a plan Wednesday to keep rice prices unchanged from year-on-year levels for the third consecutive year.

The council is also expected to recommend that wheat and barley prices be lowered for the second year running to reflect the profits the government is getting from imports as a result of the stronger yen.

The Ministry of Finance, noting a tight fiscal situation, had demanded that consumer rice prices be frozen in

line with the government's decision last July to keep producer rice prices the same as the previous year at 16,392 yen per 60 kg.

The farm ministry for its part had called for a lowering of consumer rice prices, however, saying that they should reflect the cheaper prices of rice being sold outside of government channels. The two ministries reached a compromise accord to leave consumer rice prices unchanged, officials said.

Recommended by Council Also

*OW1512141094 Tokyo KYODO in English 1333 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Japanese consumer prices for rice grown this year should stay unchanged for the third straight year, while those on wheat and barley should fall for the second year in a row, the Rice Price Council recommended Thursday [15 December].

The panel approved a proposal sent earlier in the day by Farm Minister Taichiro Okawara to hold the price at which the government sells regulated rice to wholesalers at 18,123 yen per 60 kilograms and cut wheat and barley prices 5.5 percent.

The plan is expected to be endorsed by the cabinet as early as Friday, with the wheat and barley cuts taking effect Feb. 1.

"It is important to ensure a stable supply of rice by making appropriate supply-demand adjustment measures," said Okawara, minister of agriculture, forestry and fisheries, noting that the rice inventory is expected to top 1.5 million tons by the end of next October.

But consumers are likely to demand that consumer rice prices reflect the market trend, where the price of rice sold outside of government-controlled channels has been falling, analysts said.

Mamoru Sawabe, chairman of the Rice Price Council, an advisory body to the farm minister, told a news conference that "as there are a lot of wheat imports, naturally those prices must be cut, but it is necessary to have stable prices for rice under the current Staple Food Control Law."

Some in the council had argued for cutting rice prices but they were defeated by those calling for price stability as the government decided in July to keep producer rice prices flat, officials said.

The rice-cut proponents noted the principle of market economics that prices fall when supply rises and that bringing high domestic prices into line with overseas prices is a major topic of concern, and said lower prices would give a psychological boost to government efforts to expand falling rice consumption, the officials said.

But Sawabe, noting that consumer prices were held unchanged last year when a terrible harvest caused market prices to soar, said most panel members attached great importance to price stability and were "cautious about having supply and demand immediately reflected in rice prices."

The Farm Ministry expects the average household to save 19 yen a month on lower bread and noodle prices due to the wheat and barley cuts, expected to bring wheat to 52,137 yen a ton and barley to 35,512 yen.

The cuts are aimed at narrowing the gap between domestic and overseas wheat prices, which has widened as the yen's rise has pushed down import prices, the food agency said.

Further on Rice Prices

*OW1412124894 Tokyo KYODO in English 1044 GMT
14 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The government and the ruling coalition plan to keep consumer prices of rice grown this year unchanged from the previous year at 18,123 yen per 60 kilograms, officials said Wednesday [14 December].

They also plan to lower consumer prices of wheat in light of profits gained through imports by the stronger yen, the officials said.

The Rice Price Council, an advisory body to the farm minister, will recommend the exact consumer prices for both rice and wheat at its meeting Thursday. A formal decision will be made at a cabinet meeting Friday.

It will be the third straight year for consumer prices of rice to remain flat.

In July, the government decided to keep producer prices of rice unchanged from the previous year at 16,392 yen per 60 kg.

With the decision, consumer prices should also have been automatically frozen, but opinions arose from the farm ministry that they be lowered in line with prices of rice that are sold outside of government distribution channels.

Representatives of consumer groups are expected to protest against the price freeze at the council meeting pointing to the big rice harvest this year which has lowered prices of freely marketed rice.

Farmers Selling More Rice Directly to Consumers

*OW1312082594 Tokyo KYODO in English 0734 GMT
13 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 13 KYODO—The volume of rice sold by farmers directly to consumers or consumer groups has increased dramatically in the past year, rice marketing sources said Tuesday [13 December].

Some discount liquor stores, among other retailers, have also started selling rice to erode sales through the traditional marketing channel of specialized rice wholesalers and retailers, the sources said.

According to the food agency, the amount of rice sold by agricultural cooperatives to rice wholesalers has seen year-on-year drops of about 20 percent since last April.

Consumer demand for rice had earlier seen a temporary surge because of serious shortages since last year, when Japan was hit by an extremely poor rice crop.

Some specialized rice retailers say rice sales have fallen 30 percent from a year earlier.

The sources also said direct sales of special rice, grown with organic chemicals, to consumers have tripled since last year.

Food Law To Be Revised in Response to WTO Founding

OW1412142594 Tokyo KYODO in English 1231 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The Health and Welfare Ministry decided Wednesday [14 December] to revise the food sanitation law to cope with an anticipated increase in food imports following market deregulation under the coming World Trade Organization (WTO).

With its decision to launch a complete overhaul of food laws, the first in 23 years, the ministry followed recommendations of a private advisory body which submitted a relevant report earlier in the day.

The ministry plans to submit a revision of the food sanitation law to the next regular Diet session in January. The new food regulations are not expected to go into effect before 1997, however.

All in all, the revision will focus on adjusting Japanese food laws to international standards in line with the WTO agreement.

New guidelines will be created for the use of natural food additives, a number of agricultural chemicals will be added to the list of permissible residues, and standards will be set for veterinary drug residues in meat, ministry officials said.

So far ceilings for residues from 103 different agricultural chemicals have been set in Japan. But since more than 700 such chemicals are being used worldwide, standards for another 100 that are most widely used will be set by the turn of the century, the officials said.

While some members of the advisory body suggested during discussions before preparing the report that the distribution of food containing residues of unlisted agricultural chemicals "should be prohibited in principle," the ministry believes that such a ban will not be viable since Japan depends on food imports.

Natural food additives are allowed without limitation provided their use is specified on product labels but they will be put under control like artificial food additives in the future in anticipation of the inflow of natural additives not available domestically, the officials said.

Flavorings and natural food additives that have been used in the past will be exempted from the new specification system, which will likely cover some 300 out of 1,051 listed natural additives.

Pointing to the advance in chemical analysis that makes it possible to trace even small amounts of hormones, antibiotics and other drugs used in livestock breeding in meat and fish, the report recommends setting ceilings for veterinary drug residues as well.

Also envisaged is to make compulsory detailed information on food labels about a product's nutritional value including calorie content, fats, proteins, carbohydrates and salt to replace vague marketing slogans such as "low calorie" or "calcium added."

In the future, foods that claim to serve certain health purposes may only be marketed as such if they have been approved by the ministry, the officials said.

'Zenchu' Accepts Paddy Cutbacks for More Subsidies

OW1312131894 Tokyo KYODO in English 1254 GMT 13 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 13 KYODO—Japan's main farm cooperatives group accepted the idea of further rice paddy cutbacks Tuesday [13 December] in exchange for seeking greater subsidies, officials said.

The Central Union of Agricultural Cooperatives, known as Zenchu, agreed to accept the greater acreage cutbacks for next year in consideration of this year's bumper crop, while asking Agriculture, Forestry and Fisheries Minister Taichiro Okawara for more subsidies, Zenchu officials said.

But more difficulties are expected on both fronts as budgetary restraints cloud the picture for bigger subsidies, while the farm group and politicians remain apart on how far to reduce acreage.

The Farm Ministry, meanwhile, has developed a plan for overhauling itself, consolidating such formerly key areas as silk production and beefing up such areas as international cooperation, ministry officials said.

Ruling coalition party members, who will begin considering annual rice acreage targets Wednesday, are expected to seek new cutbacks of some 130,000 hectares, while many Zenchu officials firmly oppose taking up to 80,000 hectares of rice land out of production on top of the amount already set, the officials said.

The Zenchu officials said their request to Okawara includes the already-set rice cutback target of 600,000

hectares, a one-year "emergency adjustment" on top of the target, and subsidies for increased warehousing of rice sold outside government channels.

The targets for this year and 1995 were slimmed to 600,000 hectares from an original 676,000 hectares after the cool, wet summer of 1993 devastated the nation's rice crop, but this year's bounty has revived efforts to further cut production.

With liberalization coming under world trade accords, including a partial opening of the rice market starting next year, the Farm Ministry itself is under pressure to reform.

It has already decided to close some regional food agency offices under a five-year rationalization program accompanying a new food control law, and the plan revealed Tuesday would consolidate some operations in the ministry headquarters as provided for under the law, ministry officials said.

The plan would revamp the Agricultural Production Bureau, merging the Silk and Cocoon Division with the Sericulture Division, reflecting the decreased significance of the once-mighty sector, they said.

Within the Economic Affairs Bureau, the plan would split the International Cooperation Division into one handling cooperation policy and one dealing with technical cooperation, they said.

The Agricultural Structural Improvement Bureau's Rural Labor Improvement Division would change its name to reflect its role in agricultural management and a similar renaming of the Agricultural Land Operation Division would stress regional development, they said.

In the Food and Marketing Bureau, the plan would replace the Vegetable Production and Marketing Division to a Vegetable Distribution Division, the Vegetable Policy Division to a Quality Management Division, and the Consumers Economy Division to a Consumer Policy Division, the officials said.

Murayama Accepts 2.8% Real Growth Forecast

OW1512123394 Tokyo KYODO in English 1212 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Prime Minister Tomiichi Murayama accepted the Economic Planning Agency's forecast Thursday [15 December] for real economic growth of about 2.8 percent in fiscal 1995, paving the way for the government to endorse the forecast Monday.

Agency vice minister Ttutomu Tanaka presented Murayama with the forecast for inflation-adjusted growth in Japan's gross domestic product (GDP), which also includes a forecast of 3.6 percent nominal growth.

The forecast is slated for approval Monday by economic ministers and then a special cabinet session, making it the official government forecast.

Government forecasts have recently been more optimistic than those of private economists, and in Thursday's forecast the agency lowered its estimate for this fiscal year's real growth to 1.7 percent from its original forecast of 2.4 percent, slashing the unadjusted nominal figure to 1.9 percent from a 3.8 percent forecast.

The agency, which recently declared that Japan's long recession hit bottom in October of last year, now views the economy as "heading toward stable growth led by domestic demand," said a senior agency official.

The ministry expects consumer spending to boost the economy, and its forecast sees public works and private housing expenditures remaining high and an upturn in corporate capital spending for the first time in four years.

Of the 2.8 percent real growth forecast for fiscal 1995, the agency sees domestic demand boosting the economy by 3.2 percent but external demand putting a 0.4 percent drag on inflation-adjusted growth as import growth outstrips that of exports.

With cheap imports contributing to what is known in Japan as "price destruction," the agency expects the consumer price index to edge up just 0.9 percent, estimating this fiscal year's rise at just 0.6 percent.

The forecast sees imports curbing the fiscal 1995 current account surplus to 11.9 trillion yen, or 2.4 percent of GDP, from its estimate for this fiscal year of 12.7 trillion yen, 2.7 percent of GDP.

BOJ Reports Money Supply Grows 2.6% in Nov

OW1512095594 Tokyo KYODO in English 0856 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Japan's broadly defined money supply grew at an average pace of 2.6 percent in November from a year before, the Bank of Japan (BOJ) said in a preliminary report Thursday [15 December].

The pace of growth in the broadly defined money supply—M2 (cash in circulation, and time and demand deposits) plus certificates of deposit (CDs)—was up 0.2 percent from October.

The broad measure of liquidity, including postal savings, government bonds and investment trusts, rose 3.5 percent in November from a year earlier, compared with a preliminary 3.6 percent year-to-year rise in October.

TSE To Introduce New Computer Ordering System

OW1412115694 Tokyo KYODO in English 0959 GMT 14 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 14 KYODO—The Tokyo Stock Exchange (TSE) and member brokerage houses will introduce a new computer system in January that will allow client trading orders to be placed and sent

to the TSE within a matter of seconds, industry sources said Wednesday [14 December].

The new system, which cost the TSE some 100 million yen with additional money from brokerages, connects computers at brokerage firms directly with the tse computer, the sources said.

Orders currently take five to 10 minutes to fully process because it takes two steps. They are first input into a brokerage's central computer, then entered into a channel connected with the TSE.

The new system will also allow brokerages to reduce manpower needed for the current system and in the industry as a whole, they added.

In January, about 250 computer outlets will be on line and the system will have around 400 outlets when completed.

The sources said it will help solve frustrations among some individual investors who complain that brokerages tend to place priority on large-lot orders from corporate clients over those from individual investors.

Article Explains Pension System Reform

952A0109A Tokyo NIHON KEIZAI SHIMBUN in Japanese 27, 28 Oct 94

[Unattributed article "What Will Happen to Pensions? Points of Reform"]

[27 Oct 94 p 5]

[FBIS Translated Text] *In 30 Years, 15 Percent of Monthly Pay; Expanded Insurance Premium Burden for Those Currently Employed*

The bill to reform pensions was approved by the lower house Health and Welfare Committee on the 26th, passed the whole house on the 27th, and expected to be in effect by the first part of November. From such aspects as beneficiaries getting pensions and those obligated to pay the insurance premiums, we looked into how individuals and businesses will be affected by this first major reform in five years, which includes such things as raising to 65 the age to start receiving a paid-up welfare annuity.

For Now, Measures To Mitigate Abrupt Change

Gist of pension reform bill:

- Starting in fiscal 2001, the age to start receiving a paid-up welfare annuity—currently 60 years—will go up in stages to 65.
- For persons in their lower 60's a partial annuity of about half of the current amount will be provided.
- The amount of annuity provided will rise an average of about 4 percent starting with that for this October.
- The insurance premium for welfare pensions (now 14.5 percent of monthly salaries) will be raised to 16.5

percent as of the law's enactment and to 17.35 percent from October 1996. From fiscal 1995 a 1 percent insurance premium also will be assessed on bonuses.

- Insurance premiums for national pensions (now 11,100 yen per month) will go up to 11,700 yen from fiscal 1995 and will rise thereafter by 500 yen per year (in fiscal 1994 prices) up through fiscal 1999.
- For those receiving unemployment payments under employment insurance, any provision of annuities will halt from fiscal 1998.

The Sanwa Research Institute states in a survey research report compiled on the pension system, "Future insurance premium rates will quite possibly go up even more than is assumed by this bill because of the populace aging even faster than was expected and because of a drop in the investment return on pension reserves."

Under the bill, insurance premiums for welfare pensions that are now 14.5 percent of monthly salary (half each paid by workers and employers) will be raised by 2.5 percent in each of the next five years and will ultimately climb to 29.6 percent by fiscal 2025 when the ratio of the aged in the total population will peak. The burden on household budgets will be heavy, with some 15 percent of an individual's salary being assessed for pension insurance premiums. The above report points to the possibility that it will rise even further.

To mitigate the sharp change in the insurance premiums, the bill has adopted the device for the next five years of raising them in two stages, to 16.5 percent this October and to 17.35 percent in October 1996. Yet, that is a drop in the bucket when one considers the future. Still, because of the delayed enactment of the bill, the schedule calling for "from October this year" is off and the prospect is for a deferral to November.

A system is also set up to ease the burden by exemption of the insurance premium during time off for child rearing, and yet from fiscal 1995 an insurance premium equivalent to 1 percent will be taken from bonuses, paid by workers and employers.

Consideration for Employment of Elderly

In approving the bill in the lower house Welfare Committee, the ruling and opposition parties revised the payment of pensions received by those in their lower 60's who are still working (pension for the working elderly), making the provision for "affording an 80-percent annuity until the sum of wages and 80 percent of a paid-up pension shall reach 200,000 yen" read instead "until it shall reach 220,000 yen." That was to provide a bit more annuity out of concern for the severe employment environment for the elderly.

It is good news for the elderly, but the current working generation's burden will increase. Chief Jungoro Kondo of Pension Bureau, the Ministry of Health and Welfare says, "Because of this revision, insurance premiums for welfare pensions ultimately will rise by 0.2 percent."

Under the bill, insurance premiums for the national pensions in which the self-employed participate will go up from the present 11,100 yen monthly to 11,700 yen starting in fiscal 1995 and then increase 500 yen a year, in 1994 prices, from fiscal 1996 through fiscal 1999. In fiscal 2015 a peak will be reached in the insurance premium, the amount then being 21,700 yen. As of 1992 nonparticipants in the national pension had reached 1,930,000 persons—over 10 percent of the participants. When the insurance premium goes beyond 20,000 yen, it is expected that nonparticipants will further increase, inevitably shaking the very foundations of the national pension system.

What comes up here is upping the national treasury's share of the burden of base pensions which was the focus of discussion between the ruling and opposition parties. If that share of the burden, currently one third of base pensions, is raised, the insurance premium can be reduced to that extent. If it were raised to one half, they say that "the ultimate insurance premium for national pensions will be 3 to 4 percent and the ultimate insurance premium for national pensions will be cut to some 7,000 yen" (Liberal Democratic Party pension reform subcommittee).

"Consider With 1999 as a Goal"

Still, that great an effect "will not come unless the national treasury's obligation is immediately raised to one half," says the Statistical Division of Pension Bureau, the Ministry of Health and Welfare. An amendment to the bill on the 26th went no farther than writing in the added clause that "raising the national treasury's obligation will be considered with 1999 as a goal," and therefore, it does not mean that when and how it would be raised has been settled. It seems the effects will be even more attenuated.

If this law is enacted, pensioners will be able to get an average 4 percent increase in their annuity. For the average case of a man who began receiving a welfare pension recently, his monthly 206,300 yen will go to 214,300 yen. For those who paid insurance premiums for a national pension for 40 years their monthly 62,275 yen will become 65,000 yen. The pension amount, which had expanded in line with the expansion in wages, will now have that expansion reined in by revising the formula that will match it to growth in the net wage minus taxes and social security fees.

Even so, for males born since 2 April 1949 are very uneasy about "not receiving a pension that at least corresponds to the insurance premiums paid out." The study by Sanwa Research Institute produced a calculation that "persons born between 1986 and 1990 will have pensions falling short of the insurance premiums they have paid (including the business owner's share)." The pension reform bill has not answered clearly the question of whether it keeps a balance between obligations and benefits.

[Boxed item]

Amendment Is "homework"

If they have resolved when and how much the national treasury's obligation will be raised, it should be worked into the law's main clauses. They made it an amendment because the funding compensation is not settled and must be considered hereafter. At this time, it will be "our grave homework for future" says the Budget Bureau of the Ministry of Finance. Some also have the view that "If as a result of studying it, they find no need to raise it, that will be the end."

Under the supplemental resolution they are "to consider raising the obligation rate to the goal of one half," but a resolution lacks the binding power of law, and therefore it becomes a goal for government effort.

[28 Oct 94 p 5]

[FBIS Translated Text] *Obligations of Business Swell; Shadow Casts Also Over Public Welfare*

On the basis of the pension reform bill, when the insurance premium rate for welfare pensions rises from the present 14.5 percent of monthly salary to an ultimate 29.6 percent in fiscal 2025, the annual insurance premium obligation for a business of 1,000 employees will swell in fiscal 2025 to 604 million yen or nearly twice as much as now, an increase of 308 million yen.

Number of Funds Being Set Up Is Plummeting

The following figures emerged when Nikkeiren [Japan Federation of Employers' Associations] calculated what business's obligations would be under this pension system reform. Assuming the monthly wage per employee still being 340,000 yen in the future (the figure the Ministry of Health and Welfare uses as current average monthly wage for males), Nikkeiren worked out insurance premium rates. "While it is simply calculated as strictly a yardstick figure, one can get a solid sense that business's obligation will be greater," says its Social Environment Division.

Since insurance premiums for welfare pensions are paid by workers and employers, business's obligations will increase just as much as employees' individual obligations do. Managing Director Michio Fukuoka says, "The fact that the final insurance premium rate was held below 30 percent is creditable, but it is just barely tolerable for business."

Although the business climate has slowly recovered, business performance is unsatisfactory. In such conditions, the zeal for setting up new businesses is rapidly weakening because welfare pension funds will have to take on the burden of welfare insurance premiums as well as that for insurance premiums for the add-on pensions. The number of new businesses set up, once over 100 from fiscal 1989 through fiscal 1992, fell off sharply to 69 cases in fiscal 1993.

Exemption Rate Expansion Inadequate

Under the bill, it broaden the scope for exemptions from welfare pension insurance premiums when a fund is established so as to encourage the setting up of welfare funds. Providing part of the funds for welfare pensions in lieu of the government is obligatory. To that end, a 3.2 percent exemption is made on the welfare pension insurance premium of 14.5 percent so that it is to pay 11.3 percent to the government. The 3.2 percent share is held as a fund and goes into a proxy payment share. Yet, the average age of participants differs for each fund and the sums needed for proxy payments also differ. Hence, with a uniform 3.2-percent exemption rate, funds where aging is advanced are in a tight situation.

If the law goes into effect, this exemption rate will broaden to a uniform 3.5 percent, and from fiscal 1996 it will become broken down into seven steps from 3.2 to 3.8 percent depending on each fund's financial situation.

Still, it would be hard to say that even this broadening of the scope of the exemption rate is perfect. Managing Director Hideo Suzuki of the Tokyo Passenger and Tourist Vehicle Welfare Pension Fund, set up by taxi firms in the Tokyo area, says, "Figuring from our proxy payment amounts, the currently needed exemption rate is 4.1 percent." Even if the largest exemption rate of 3.8 percent were applied, it would still be inadequate. Since this same fund has accumulated funds of over 100 billion yen and has some leeway, it will not be in trouble. However, instances will emerge, depending on the fund, of firms having to make up insufficiencies.

Obligation increases centering on welfare pension insurance premiums are beginning to affect business's welfare activities. Japan IBM's subsidiary Hours, which undertakes the parent firm's welfare activity projects, says, "Since welfare obligations under the law, such as pensions and medical insurance, have begun piling up, our parent firm is becoming unable to create new welfare systems" (Masako Koumi, chief of International Personnel Services Department).

By promptly adopting such systems as post-retirement life planning assistance and family leaves, Japan IBM which has helped it to keep talented people. Henceforth, supposes Koumi, "All company will probably find it difficult to devise unique welfare systems to secure talented persons."

Time for Social Reconstruction

As to such business obligations as pensions increasing, Ken Moroi, deputy chairman of Nikkeiren [Federation of Employers' Association], says, "Business has to compete overseas while having the world's highest personnel costs; therefore, the hollowing out of industry will be inevitable. Since aging cannot be avoided, in order to remedy that, we have reached a time when we will have to reconstruct the Japanese economy and the society as a whole .how are we going to cover that"

[Boxed item]

38,700 Yen Per Person

Besides the welfare pension insurance premiums set by law as business welfare expenses, there are health insurance premiums, employment insurance premiums, workmen's accident insurance premiums, child allowance contributions, etc. According to surveys, the Ministry of Labor has run nearly once every three years, in 1991 the average legally mandated total welfare cost per worker per month was 38,771 yen, equal to about one tenth of that year's monetary wage total of 383,564 yen per person per month.

To look at the breakdown of that total, the largest part is the 18,795 yen for the welfare pension insurance premium, taking up about half of the overall. Next comes the 12,796 yen for the health insurance premium. Insurance premiums for pensions and for health insurance come to about eight tenths of the total.

Corporation Reform Becomes Urgent Coalition Task

OW1412021694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Dec 94 Morning Edition p 2

[FBIS Translated Text] Reform of government-affiliated special public corporations is becoming the most "urgent" task of the Murayama administration's administrative reform. The New Frontier Party [Shinshinto], the giant opposition party established on 10 December, disclosed its plan to focus on the administrative reform issue in policy debates with the Murayama administration. In reaction, the coalition government is becoming aware of the immediate need to fully grapple with reform of special public corporations. However, bureaucrats and industrial circles concerned will certainly oppose the government's policy. A failure to score "visible achievements" may seriously affect the fate of the Murayama administration, and this issue will be a bitter test of Prime Minister Tomiichi Murayama's leadership.

On 12 December, top leaders of the three ruling parties—Prime Minister Murayama, Deputy Prime Minister and Foreign Minister Yohei Kono, and Finance Minister Masayoshi Takemura—met at the Prime Minister's Office to discuss the direction of administrative reform after conclusion of the extraordinary Diet session. On the same day, Chief Cabinet Secretary Kozo Igarashi, Management and Coordination Agency Director General Tsuruo Yamaguchi, and Adviser to the Prime Minister Hidenao Nakagawa discussed tangible measures for reviewing the status of existing special public corporations. As a result, Igarashi and Yamaguchi agreed to negotiate with each cabinet member before the end of this year to further accelerate the ministries' reform efforts.

In the official schedule for special corporation reform, the government is urging each government agency to

submit its final reform plan to the Management and Coordination Agency by 10 February, so that the government can determine the corporations to be merged, abolished, or denationalized by the end of this fiscal year [30 March]. However, agencies' interim reports submitted on 25 November "clarified bureaucrats' opposition to reform of affiliated corporations" (as noted by a senior official of the Liberal Democratic Party [LDP]). Coalition government officials were very disappointed with the bureaucrats' offers, and began to stress the "need for politician-led reform."

Coalition members' demands for more drastic reform were boosted by Shinshinto's moves to confront the Murayama administration over the administrative reform issue. Shinshinto head Toshiki Kaifu, in a private television program aired on 11 December, noted that Shinshinto may submit a no-confidence motion against the cabinet, depending on the Murayama administration's attitude toward administrative reform. The prime minister's close associates are wary of the opposition moves, saying: "The cabinet advocated administrative reform to strengthen the coalition's unity, but it may prove the cabinet's demise."

Under such circumstances, the prime minister wants to prevent the Shinshinto offensive by accelerating politician-led review of existing special public corporations.

Notwithstanding, the coalition government's reform efforts are highly likely to face rough going. Following the agencies' submission of interim reports, Administrative Deputy Chief Cabinet Secretary Nobuo Ishihara gave Murayama the advice that, "these reports are only the beginning of bureaucrats' attacks on you." Among the coalition parties, Sakigake [Harbinger] has a drastic proposal for special corporation reform; however, the LDP and Social Democratic Party of Japan are not really supportive. Murayama is trying to carry this task out by backing away from a retreat, but the road ahead of him is quite rough.

'Consumer-Friendly' Industrial Standards Planned
*OW1512140994 Tokyo KYODO in English 1316 GMT
15 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—The Ministry of International Trade and Industry (MITI) said Thursday [15 December] it will work out consumer-friendly product standards under a five-year program from 1996.

The ministry will entrust the task to a special committee set up under an organ in charge of formulating the Japan Industrial Standard (JIS), a MITI official said.

The new program, the eighth of its kind, is designed to address expected issues in the enforcement of the product liability law scheduled to start next July, while cutting production costs for welfare equipment, the official said.

Among new JIS standards will be larger-than-usual operating buttons on electric appliances for the elderly and room-use lifts for the handicapped, the official said.

Color arrangements for traffic signs and instruction boards at public facilities that are difficult to distinguish will be prohibited, the official said, citing blue signs drawn against the black background.

The committee will also consider standardizing multimedia-related computers and communications equipment to enhance their compatibility and intra-house management systems for environmental protection, the official said.

Third-party certification organs in the private sector will be utilized to check on whether products are meeting new JIS standards, the official said.

The working committee will come up with a blueprint for new standards by the end of next June.

Panel Promotes Information Superhighway Project

*OW1012082994 Tokyo KYODO in English 0808 GMT
10 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 10 KYODO—Academic members of a government panel will urge the government to provide public support, including interest-free loans and preferential tax treatment, to promote the construction of a sophisticated information infrastructure in Japan, sources in the group said Saturday [10 December].

The sources said the appeal will formally be made at a session of the government's "information superhighway" promotion headquarters chaired by Prime Minister Tomiichi Murayama on Tuesday.

They said nongovernmental members of the group will also urge the government to give preferential consideration to the project in formulating the fiscal 1995 budget.

The governmental group is assigned to work out a plan for completion of the Japanese leg of the global information infrastructure (GII) by 2010.

The GII proposal was initiated by U.S. Vice President Al Gore.

The sources said the government will complete the basic principle of the project for introduction at a ministerial meeting on the GII to be held by the Group of Seven (G-7) industrialized nations in Brussels Feb. 25-26 next year.

The meeting stems from an agreement reached at the group's summit in Naples, Italy, last July.

The sources said the three-part proposal formulated by the nongovernmental group seeks for the government to put top priority on construction of the information infrastructure under the initiative of the private sector.

The group proposes that the government provide interest-free loans and tax breaks to promote the project in the initial stage, they said.

NTT Develops New Transistor for Further LSI

OW1512120794 Tokyo KYODO in English 1107 GMT 15 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Thursday [15 December] it has developed a vital device for further evolution of computer chips—a “single electron transistor” that works at room temperature.

According to researchers at NTT's laboratory for large-scale integrated circuits (LSI), the transistor literally has one electron and therefore consumes less electricity than existing ones.

It will also enable massive accumulation of an integrated circuit so that electronic and computer equipment can be smaller in size but with larger capacity, they said.

“When the application of the technology reaches a full-fledged stage, it is possible that current supercomputers can become the size of present personal computers,” one of the researchers added.

The researchers said until recently, a single electron transistor was confirmed working at only very low temperatures, lower than 272 degrees below zero Celsius.

NTT lab researchers, however, have developed “super minute processing technology” to control such a transistor at 27 C, they said.

SDPJ Against SDF Communications Base on Okinawa

OW1412060694 Naha OKINAWA TIMES in Japanese 12 Dec 94 Evening Edition p 1

[FBIS Translated Text] Wataru Kubo, secretary general of the ruling Social Democratic Party of Japan [SDPJ], held a news conference at the Okinawa Prefectural Government office on the morning of 12 December. Commenting on the P3-C communications station that the Maritime Self-Defense Force [MSDF] plans to construct in Toyohara District, Motobu Town, he said: “Even if the facility is intended for use by the Self-Defense Forces, the SDPJ is against constructing any new military bases on Okinawa.” In this way, he indicated that it will be hard for the ruling parties to reach agreement on constructing the communications station on Okinawa.

Claiming, “The Defense Agency should scrap its plan to construct the communications station on Okinawa,” Kubo made it clear that in conjunction with the SDPJ Okinawa Prefectural Chapter, the SDPJ will ask the Defense Agency to scrap the plan.

Now that the Okinawa Prefectural Government has taken a cautious attitude toward constructing the PC-3

communications station; and the SDPJ, one of the governing parties, has made clear its position against construction, the Defense Facilities Administration Agency is likely to be forced to reassess the plan.

Secretary General Kubo is on a visit to Okinawa aimed at improving the relationship between the SDPJ headquarters in Tokyo and the SDPJ Okinawa Prefectural Chapter. On the morning of 12 December, he met with Governor Ota, and representatives and others of the Center For the Prefectural Council of Labor Unions with which the SDPJ has maintained a cooperative relationship. During the meeting with senior officials, Kubo made clear that as one of the ruling parties, the SDPJ will come to grips with the issue of military bases on Okinawa. As for the issue of compensating the victims of malaria and the issue of establishing a welfare and pension fund for them, Kubo indicated the SDPJ will seek a settlement of the issue in the process of compiling the budget for fiscal 1995.

During the meeting with Governor Ota, Secretary General Kubo said: “I discussed the issue of establishing the welfare and pension fund with Okinawa Development Agency Director General Sadatoshi Ozato. During the discussion, I stressed the need for the government to vigorously involve itself in establishing the fund. I intend to seek a settlement of the issue in the process of compiling the budget for fiscal 1995.” Thus, he expressed his strong resolve to find a solution to post-war issues on Okinawa. At the meeting, Governor Ota handed Kubo a statement asking the SDPJ to work for early enactment of a bill on military land conversion at the next ordinary Diet session; the bill has been deliberated by the Diet.

Secretary General Kubo met with three executives of the Center For the Prefectural Council of Labor Unions at the Okinawa Prefectural Government office prior to his meeting with Governor Ota. During the meeting, Chikara Shimada, chairman of the center (chairman of the Okinawa Prefectural Committee of the All Japan Prefectural and Municipal Workers' Union), and others, expressed the hope that a democratic liberal party will uphold “the position of defending the constitution.” Raising the issue of military bases on Okinawa, they asked Kubo to cooperate in having Naha Military Port and Yomitan Auxiliary Airfield returned, and in halting the live-fire exercises across Prefectural Highway No. 104.

In response, Kubo first explained that the SDPJ has changed its policies on security and the SDF, and then stressed that as a minority ruling party, the SDPJ is in a difficult position. Kubo also made clear the SDPJ's position on defending the constitution, saying: “The SDPJ will honor the ideals and spirit of the constitution.” Referring to Japan-U.S. security relations, Kubo said: “The time has come for both Japan and the United States to build a new relationship in which Japan can say yes or no to the United States.”

MITI To Develop Advanced Light Water Reactor

OW1112090294 Tokyo YOMIURI SHIMBUN in
Japanese 10 Dec 94 Morning Edition p 6

[FBIS Translated Text] As a step toward developing a next-generation light water reactor to prepare for nuclear power generation in the 21st century, the Ministry of International Trade and Industry [MITI] Natural Resources and Energy Agency [NREA] decided on 9 December to set up a "subcommittee on a long-term light water reactor utilization plan" to study safety regulations, international technical cooperation, and measures to develop and secure necessary talent. The subcommittee will be established under the committee on the development of advanced light water reactors (a private advisory body to the NREA director general and to MITI's machinery and information industries bureau chief).

Outline of Government's New Energy Program

OW1112101194 Tokyo YOMIURI SHIMBUN in
Japanese 10 Dec 94 Morning Edition p 7

[FBIS Translated Text] "The Outline of the New Energy Introduction Program," which the government has been working on toward the development and introduction of new forms of energy to help reduce the nation's reliance on petroleum as well as to prevent the global greenhouse effect, was disclosed on 9 December. The Outline prioritizes solar power generation, clean-energy vehicles, and six other areas related to new forms of energy—the development of which needs to be hastened—and designates specific goals in each area. In the case of solar power generation, for example, it is hoped that 400,000 kilowatts, or approximately 100 times the current capacity, can be generated in FY 2000. To promote the introduction of new forms of energy, the Outline then proposes that efforts be made to tackle deregulation and technological development. The Outline is to be adopted at the 16 December ministerial meeting on promoting comprehensive energy measures.

The Outline consists of the following points: 1) Necessity of introducing new forms of energy; 2) current situation and problems; 3) basic concept regarding promoting introduction of new forms of energy; 4) procedures and goals regarding introduction of new forms of energy that should be carried out on a priority basis; and 5) support for local efforts toward introducing new forms of energy.

As areas related to new forms of energy that are to be tackled on a priority basis, the Outline lists solar power generation, solar heat utilization, power generation utilizing waste materials, clean-energy vehicles, cogeneration, fuel cells, heating and cooling systems using untapped forms of energy, and various other forms of recyclable energy.

Regarding solar power generation, the Outline recommends promoting the development of solar batteries integrated into and designed to be used as roof tiles,

reducing costs by standardizing equipment and production methods, and encouraging the introduction of solar power generation in developing countries that have poor power generation facilities. Regarding clean-energy vehicles, such as electric cars and automobiles that run on natural gas, the Outline recommends setting up facilities for supplying electricity and fuel at service stations to help foster conditions that would encourage widespread use of such vehicles.

North Korea

PRC MAC Delegation Leaves Pyongyang 15 Dec

SK1512124594

[FBIS Editorial Report] Pyongyang Central Broadcasting Network in Korean at 1100 GMT on 15 December carries an eight-minute recorded report on the departure of the delegation of the Chinese People's Volunteers (CPV) to the Military Armistice Commission (MAC), which "withdraws according to the decision of the PRC Government," from Pyongyang by train on 15 December.

After describing the slogans, including "Long live friendship and unity forged with blood between the peoples of DPRK and PRC!" the announcer says that as the CPV delegation enters the railway station compound, a number of soldiers of the Korean People's Army (KPA) and Pyongyang workers bid farewell to the delegation waving flowers. The announcer interviews Cho Song-hwa, senior technician at a Pyongyang children clothes plant; and Yi Chong-chi, officer at a Yi Tae-kun-affiliated KPA unit who came to bid farewell to the delegation. Officer Yi Chong-chi says: "I am pleased as I see the CPV delegation leaving Pyongyang joyfully. I think the withdrawal of the delegation shows the full support to our people's struggle to establish a new peace guarantee system on the Korean peninsula. We are sincerely congratulating successes attained by the fraternal Chinese people in socialist construction. We wish them greater success in the future."

The announcer notes that "proceeding from changes in the present international relations and from the demand of situation prevailing on the Korean peninsula, the government of our Republic put forward a proposal to turn the Armistice Agreement of Korea into a new peace guarantee system and the KPA Supreme Command on 5 November took the initiative in forming the KPA Panmunjom delegation. The recent decision of the Chinese Government to completely withdraw the CPV delegation from Panmunjom is a great support to our people's struggle to establish a new peace guarantee system on the Korean peninsula."

Pointing to the people's resolution to further strengthen and develop the DPRK-PRC friendship over generations, the announcer went on to say that many people including "General Yi Chong-sam of the KPA" and

"Lieutenant General Yi Chan-pok, the KPA delegate to Panmunjom" bid farewell to the delegation.

The report ends with the announcer stating "the train carrying the delegation left the railway station compound at 1200 [0300 GMT] noon."

Rabin's Remarks on Missiles Sale 'Unreasonable'

SK1512103094 Pyongyang KCNA in English 1013 GMT 15 Dec 94

[**"Unreasonable Behavior of Israel"**—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—Israeli Prime Minister Yitzhaq Rabin, in talks with Japanese Foreign Minister Yohei Kono and Director of the Defence Agency Tokuichiro Tamazawa on December 13, charged the Democratic People's Republic of Korea with "its possible provision of nuclear and missile technologies" to Arab nations and with "its export of missiles," according to the Japanese NHK.

Earlier, on Dec. 12, Israeli Ambassador to South Korea Naim told a press conference that "North Korea has sold 'Scud-shape' medium-range missiles to Arab nations in the Middle East."

Such remarks of the Israeli authorities aimed at fabricating groundless facts and making them a fait accompli revealed their sinister political intention to impair the international prestige of our peaceloving Republic, do harm to it and reinforce their mass destruction weapons.

It is very serious that they are vociferating about "North Korea's transfer of nuclear and missile technologies" at a time when progress has been made in the practical implementation of the DPRK-U.S. agreed framework and home and foreign public unanimously estimate it positively.

This is an unreasonable behavior of the Israeli authorities who dislike the adoption of the DPRK-U.S. agreed framework and attempt to balk its implementation.

Admittedly, we have frozen our nuclear activities for the present and the future so that the concern about our "nuclear development" has totally been removed.

Nevertheless, Rabin is now talking about our "transfer of nuclear technology", which shows that he has not yet extricated himself from the anachronistic thinking pattern.

The Israeli authorities, who are taking issue with us groundlessly, are the true nuclear culprits who must be put in the dock.

Israel, which has seven nuclear facilities and 200 nuclear warheads, has gravely threatened Mideast peace.

Missiles of various types and many other mass destruction weapons possessed by Israel have aroused deep apprehensions among the Arab nations.

While keeping mum about such a fact, however, the Israeli authorities are persistently trying to term our Republic "a nation which transfers technology of mass destruction weapons." This is nothing but a criminal trick to keep their military domination in the Middle East by further reinforcing mass destruction weapons under that pretext.

It is only too clear that such a trick of Israel can never work in the broad daylight.

The Israeli authorities, instead of resorting to fabrications against the DPRK, must immediately accede to the just demand of Arab nations for the denuclearization of the Middle East.

Hanchongnyon Demands Immediate Release of Official

SK1512043894 Pyongyang KCNA in English 0428 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon) called a press conference on December 12 strongly demanding an immediate release of its chairman Kim Hyon-chun, who was arrested on December 10, according to a radio report from Seoul.

Hanchongnyon said it is an outrage of the old time that the Kim Yong-sam puppet regime arrested him, terming Hanchongnyon activities for independence, democracy and reunification illegal by invoking "the National Security Law."

It declared that it vowed to stage street demonstrations and rallies from December 15 as part of the struggle for legal action against those involved in "the December 12 incident" and against "the parliamentary approval of the Uruguay Round accord."

Pomminnyon Denounces Fabrication of Spy Case

SK1512042594 Pyongyang KCNA in English 0414 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 14 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) released a statement on December 14 sharply denouncing the traitor Kim Yong-sam for fabricating a "brother and sister spy case" through the "Agency for National Security Planning" (ANSP).

Branding this as a never-to-be-condoned anti-national, anti-reunification act intended to incite North-South confrontation, wreck the great unity of the nation and stifle the patriotic movement of South Korean students for reunification, the statement says:

As Paek Hung-yong who had served the puppet Agency for National Security Planning as its secret agent made clear in his declaration of conscience, the "brother and

sister spy case" was, to all intents and purposes, a drama invented to harm and destroy the South Korean Federation of General Student Councils (Hanchongnyon) representing the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and the joint Secretariat of Pomchonghangnyon.

In the past, the traitor Kim Yong-sam was bullied by the "Central Intelligence Agency", the predecessor of the "ANSP", and called for its dissolution. But, he is insisting on the need of the "ANSP" and frantically cracking down upon the people through it. This fact clearly proves once again that the traitor Kim Yong-sam is a fascist dictator without an equal in the art of disguise and the mode of fascist rule.

The traitor Kim Yong-sam must know that with no fabrication and bayonet-brandishing can he tide over the hopeless crisis of his rule.

The North side headquarters of Pomminnyon will fight it out to achieve the reunification of the country in the 1990s, closely united as ever with the South Korean people and patriotic students, the statement declared.

Koreans Overseas Urge Repatriation of Prisoners

*SK1512112894 Pyongyang KCNA in English 1019
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—An enlarged presidium meeting of the International Korean Association (Unity) held in Tashkent adopted an appeal to organizations of the National Alliance for the Country's Reunification (Pomminnyon) and all Koreans overseas for the repatriation of the unconverted long-term prisoners to the northern half of Korea.

Pointing out that it is natural from the humanitarian point of view and entirely accords to the demand of the international law on POWs to send back the unconverted long-term prisoners in South Korea to their hometowns, the appeal called on Pomminnyon and all other Koreans' organizations and Koreans to conduct positive activities for their repatriation.

ROK Red Cross Urged To Repatriate Prisoners

*SK1512050594 Pyongyang KCNA in English 0458
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The society for the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, which was formed in Tokyo recently sent an open letter to the president of the South Korean Red Cross on December 9 demanding their return to the Northern half of the country.

Noting that they should have been sent to their hometowns as POWs, the letter said: But they were kept behind bars for tens of years for the mere reason that

they refused to be "converted ideologically", and are now living in misfortunes under the watch and persecution of the South Korean authorities.

The South Korean Red Cross refuses to repatriate them under preposterous pretexts. This is an entirely unjustifiable act going against the Korean Armistice Agreement and principles of international law and against the intrinsic mission of a Red Cross organisation—noble humanitarianism and human love.

The letter urged the South Korean Red Cross to sincerely accept the just appeal of the entire fellow countrymen and the world and take a step to repatriate them unconditionally and immediately, in the noble spirit of the Red Cross organisation and the spirit of national reconciliation and unity.

ROK Group Urges Indictment of 12 Dec 'Rebels'

*SK1512113094 Pyongyang KCNA in English 1021
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—Some 100 members of the Council of Civil Organizations for urging the indictment of the December 12 rebels held a meeting in Seoul on December 12 demanding that those involved in the "December 12 Army purge coup" be brought to justice, according to a Seoul-based radio report.

They held that the constitutional court should immediately hand down a decision and the prosecution should re-investigate the criminals according to it and prosecute and judge them.

13 Dec U.S. Aerial Exercises Denounced

*SK1512044194 Pyongyang KCNA in English 0432
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The U.S. imperialist warmaniacs ceaselessly deployed fighter bombers, assault planes and carrier-borne planes in the U.S. Airforce bases in South Korea from the U.S. Airforce Bases in Japan and the Pacific on December 13, inciting a war fever, according to military sources.

Overseas-based E-3 Awacs plane in the sky above an area near to the Demilitarized Zone [DMZ] of the Military Demarcation Line commanded flying corps of the U.S. Seventh Airforce and the South Korean puppet airforce involved in the aerial war exercise and, at the same time, conducted aerial espionage against the North. Earlier than this, P-3 patrol plane committed aerial espionage on the East and West Seas of Korea and sea-bottom.

On the 12th, an ultra large transport plane C-5 and ten other large transport planes carrying a large number of lethal weapons and combat materiel from the bases in the Pacific flew to the U.S. Airforce bases in South Korea.

The South Korean puppets fired more than 1,000 bullets and shells to areas adjacent to the DMZ of the western and eastern sectors of the front on December 12 and 13, getting on our nerves.

If the U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique act without discretion, going against the trend of the times and resorting to the moves of confrontation and war, they will have to pay dearly.

Japanese Guideline Denounced as Militarism Pretext

SK1512052794 Pyongyang KCNA in English 0504 GMT 15 Dec 94

[“ ‘Guideline’ for Military Reinvasion”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The “Guideline for the Expansion of Asia-Pacific Security Exchange” published by the Japanese Government recently is designed to invent a legal pretext for the conversion of Japan into a military power and for its overseas aggression, says NODONG SINMUN in a commentary today.

The analyst notes:

By legalizing the dispatch of aggression forces overseas under the cloak of “U.N. Peacekeeping Operation”, the Japanese reactionaries seek to lull the caution of the surrounding countries against Japan’s conversion into a military power and her overseas aggression and appease the Japanese people opposed to the dispatch of aggression forces overseas, thus gaining a legal ground for overseas aggression.

The successive Japanese reactionaries have been accustomed to invade other countries with the backing of foreign powers.

The new “guideline” of Japan shows that the Japanese reactionaries are employing more crafty and heinous techniques to realise their old dream of “the greater east Asia co-prosperity sphere”.

Japan’s attempt to hasten its arms buildup and set to overseas aggression under the pretext of “regional security” is a foolish act of digging its own grave.

It should ponder over the matter.

Repatriation of Koreans in Japan Commemorated

SK1512111194 Pyongyang KCNA in English 1037 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—A national meeting was held here today upon the lapse of 35 years since the beginning of home-coming of Koreans in Japan.

The repatriation of Koreans in Japan began on December 16, 1959 with the first ships carrying repatriates dropping the anchors at Chongjin port.

Over the past 35 years, more than 100,000 Koreans returned to the homeland from Japan.

The world people called their repatriation as “an exodus of a nation from capitalism to socialism” and “a human-historic miracle in the 20th century.”

The meeting was attended by Pak Song-chol, member of the Political Bureau of the Central Committee [C.C.] of the Workers’ Party of Korea [WPK] and vice-president; Yang Hyong-sop, alternate member of the Political Bureau of the C.C., The WPK and chairman of the Supreme People’s Assembly; Kim Yong-sun, secretary of the C.C., the WPK; and other cadres and officials concerned, repatriates and working people in the city.

Various delegations and home-visiting groups of Chongnyon and Koreans from Japan staying in socialist homeland were also present.

The participants observed a moment’s silence in memory of the great leader President Kim Il-song, who founded unique idea and theory on the chuche-oriented movement of overseas compatriots and made all efforts to successfully implement them.

President Kim Il-song said:

“In the past, as a result of the occupation of Korea by the Japanese imperialists, large numbers of our fellow countrymen left their homeland and wandered abroad. As a people without a country, they were subjected to chauvinistic discrimination and all kinds of humiliations, were deprived of all their rights and suffered from extreme hardships in strange lands for a long time.”

Chang Chol, vice-premier of the Administration Council, delivered a report at the meeting.

He said the return of Koreans in Japan to the socialist homeland was a great victory of the immortal chuche idea founded by the respected leader Comrade Kim Il-song and his chuche-based idea of the movement of overseas compatriots and a splendid fruition of the noble compatriotic measures and humanitarian policy of the WPK and the Government of the Democratic People’s Republic of Korea.

With the realisation of the repatriation of Japan-resident Koreans to the DPRK, a signal turn was effected in the movement of Koreans in Japan, part of the national problem with long historical roots, and the General Association of Korean Residents in Japan (Chongnyon) recorded a new chapter in the movement of overseas compatriots as a reliable organization of overseas citizens of chuche Korea, the reporter said, and continued:

The whole course of their repatriation is a history of deep loving care shown by the respected leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who

embraced compatriots who had undergone hardships in an alien land, with the noblest sense of obligation and great love. It is also a history of the brilliant victory of the line of national independence and the line of national unity over the national enslavement and divisive moves.

Noting that the dear leader is wisely guiding the movement of overseas Koreans as required by the present time, the reporter said he, with distinguished strategy, wisely led the struggle for the resumption of repatriation and opened a broad road of travel to the homeland for the compatriots in Japan.

Declaring that those who returned to the socialist homeland are now all living a worthy and happy life, the reporter continued:

The great leader and the dear leader fully ensured freedom and rights to them so that they might practically exercise the power as masters of the state and the society. And they reared repatriates to be members of the WPK and deputies to the Supreme People's Assembly and other power bodies of different levels and assigned them for important revolutionary posts of the country.

The dear leader has seen to it that Japanese women who came to Korea with their husbands have enjoyed human dignity and an independent life without national discrimination.

Over the past 35 years, many of repatriates have been awarded the order of Kim Il-song and the Kim Il-song prize and have received commendations, thanks and gifts of the great leader and the dear leader. Among the repatriates there are a hero of the Republic labour heroes and tens of thousands of recipients of state orders.

Hundreds of repatriates have won academic degrees and professorship and titles of honor, becoming professors, doctors, merited scientists, people's artists, people's actors and actresses, and people's sportsmen.

The reporter called for the accomplishment of the revolutionary cause of *chuche* started by the great leader under the guidance of the dear leader.

He said all the officials and repatriates, with pride in being members of the Kim Il-song nation blessed with a sagacious leader, should steadfastly defend the dear leader, the centre of the unity of our party and revolutionary units and the centre of leadership, ensure his absolute prestige in every way and further cement the singlehearted unity of the revolutionary units on the basis of unbounded loyalty to him.

The reporter called on all the Koreans (from) the North, South and overseas to struggle more vigorously to reunify the country in accordance with the confederacy formula based on one nation, one state, two systems and two governments, by implementing the three principles—*independence*, peaceful reunification and great national unity—and "10-point programme of the great

unity of the whole nation for the reunification of the country" which were put forward by the great leader.

Speeches, Slogans Reported

SK1512104194

[FBIS Editorial Report] Pyongyang Central Broadcasting Network in Korean at 0300 GMT on 15 December carries a 57-minute live report on "the central report meeting marking the 35th anniversary of the return of Korean compatriots in Japan" held in the People's Palace of Culture in Pyongyang. After describing the scenes of the meeting site and slogans, including "Long live the great leader Comrade Kim Il-song!" the announcer says that "compatriots who returned to the fatherland, workers from all strata, and overseas compatriots staying in the socialist fatherland are participating in the meeting."

The announcer then continues: "Comrade Pak Songchol, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice president; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Kim Yong-sun, secretary of the WPK Central Committee; Comrade Chang Chol, vice premier of the Administration Council; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administration and Economic Committee; responsible functionaries from political parties and public organizations; compatriots who returned to the home country; labor heroes and labor innovators, are appearing on the rostrum."

Pak Nam-ki, who presides over the meeting, says "Let us pay a silent tribute to the respected leader Comrade Kim Il-song, the sun of the nation, the great leader of our party and people, and benevolent father of Korean residents in Japan."

At 0604 GMT, Vice Premier Chang Chol makes a speech. Congratulating all repatriated compatriots and welcoming delegates of the General Association of Korean Residents in Japan (Chongnyon) and members of the visiting groups, Chang Chol recalls the first return of Korean residents in Japan to the "socialist fatherland" 35 years ago via a ship which cast the anchor at the Chongjin port, describing it as "the historic event which effected a new turning point in pioneering the destiny of Korean compatriots in Japan" and as "a great national congratulatory event," and praises Kim Il-song's patriotic achievements made in resolving the problems concerning overseas compatriots with deep insight into the "unfortunate situation of compatriots overseas." Chang Chol goes on to say that the great leader (suryong) expounded a unique idea to inspire all overseas compatriots to the anti-Japanese patriotic sacred war, thus opening the origin of *chuche*-oriented overseas compatriots movement, and made overseas compatriots "the creators of history who share the destiny with the fatherland."

Chang Chol points out that "because of the ceaseless oppression and persecution by the U.S. and Japanese reactionaries and the South Korean puppet clique, the movement of Korean residents in Japan had to traverse thorny bushes filled with trial" and that denounces their "bestial oppression to demolish nearly all of the organizations of Korean residents in Japan" by regarding the active movement of Korean residents who followed the banner of the Republic as a thorn in flesh. He also condemns the "flunkeyist-factionalists" for the "antinational treacherous act" of attempting to alienate Korean residents from the road of the Korean revolution by following the "U.S. and Japanese reactionaries' offensive."

Chang Chol emphasizes that with the formation of Chongnyon, however, the movement of Korean residents in Japan could vigorously advance along the single road of *chuche*, and a new phase opened in the struggle to realize their national rights and interest. He goes on to say that the "U.S. and Japanese reactionaries," while implementing the hostile policy against the DPRK, "oppressed and persecuted Korean residents in Japan" and blocked their return to the fatherland, and that the South Korean puppet clique also disturbed their return. However, he goes on to say, that thanks to the victory in the "just struggle" waged by their party, government and Korean compatriots at home and abroad "under the wise leadership of the great leader," the first ship which carried Korean compatriots in Japan returning to the socialist fatherland anchored in Chongjin on 16 December 1959, saying that the world's people highly praised their return as "the great national move from capitalism to socialism" and as "a miracle of the 20th century in the history of mankind."

At 0640 GMT, Chang Chol says that "dear leader Comrade Kim Chong-il solved every each one of the problems concerning the achievement of the return of the Korean residents in Japan" and wisely led the struggle to resume their return when their return was temporarily suspended. He goes on to say that the fact that compatriots in Japan who returned to the fatherland are now enjoying a new worthwhile life is entirely thanks to the "dear comrade leader's great leadership." As the result, "the return and visit of Korean compatriots in Japan to the fatherland are successfully ongoing even today without interruption."

Noting that more than 100,000 Korean residents in Japan came to the bosom of the fatherland in the past 35 years through the "route of love" provided by the "fatherly leader and dear comrade leader," Chang Chol points to exploits achieved by "compatriots" who returned to the DPRK in various sectors, including coal mines, farms, and the like.

Chang Chol says: "With the wholehearted burning loyalty of our people and all the compatriots at home and abroad, we offer the greatest honor and the warmest gratitude to the dear leader Comrade Kim Chong-il, the

supreme leader [*choego yongdoja isin*] of our party, state and revolutionary Armed Forces." He urges the participants to uphold the party's economic policy and stresses the areas of light industry, coal, electricity, and railway transportation.

Calling on the people "to loyally uphold the leadership of the dear leader Comrade Kim Chong-il, destiny of the nation and people and the banner of everlasting victory, in order to inherit and carry to accomplish the *chuche* revolutionary cause" and "to more vigorously fight to achieve the independent and peaceful reunification of the nation and the *chuche* revolutionary cause in firm unity with the dear leader Comrade Kim Chong-il," Chang Chol ends his speech at 0356 GMT.

At 0357, Pak Nam-ki declares the meeting closed.

Anniversary of Relations With Cambodia Marked

SK1512050394 Pyongyang KCNA in English 0454 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—Laau Bonna, charge d'affaires ad interim of the Cambodian Embassy here, gave a party at the embassy on December 14 on the occasion of the 30th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Kingdom of Cambodia.

Vice-premier and Foreign Minister Kim Yong-nam and officials concerned were present on invitation.

Speeches were exchanged at the party.

Pakistani President Urges Visit by Kim Chong-il

SK1512044794 Pyongyang KCNA in English 0440 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—"We wholeheartedly hope that His Excellency Kim Chong-il, whom the Pakistani people respect and revere, will not fail to visit Pakistan," said Pakistani President Sardar Farooq Ahmad Khan Leghari on December 11 when he met with the Korean ambassador to his country.

The president said that he is happy to see the Korean people holding His Excellency Kim Chong-il in high esteem as their leader. "We hope that he, who has done much for the Korean people from long ago, will continue to wisely lead them," he noted.

He highly estimated the Korean people who, under the wise guidance of the great leader His Excellency President Kim Il-song and His Excellency Kim Chong-il, have creditably solved the nuclear issue of the Korean peninsula in their interests, firmly defending their national dignity and sovereignty and rejecting the repeated pressure by outside forces.

He said that the regrettable death of his excellency the great leader President Kim Il-song is a great sorrow and

loss to the entire Korean people and the world people, who have respected and revered him from the bottom of their hearts.

"Though President Kim Il-song passed away to our sorrow, he will remain forever in the hearts of us all for his immortal feats and contribution," he said.

Foreign Unions Hold Korean Solidarity Meeting

SK1512112794 Pyongyang KCNA in English 1017 GMT 15 Dec 94

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—A meeting for solidarity with the people and workers of Korea was held in Syria.

Participating in the meeting were the chairman of the Damascus Metropolitan Trade Union and trade union delegates of Sri Lanka and the Philippines attending the 13th meeting of the World Federation of Trade Unions.

The meeting was addressed by the vice-chairman of the Damascus Metropolitan Trade Union, the secretary general of the Sri Lanka Federation of Trade Unions and the chairman of the National Association of Trade Unions of the Philippines.

The speakers expressed deep condolences on the death of the great leader President Kim Il-song.

The whole life of President Kim Il-song was that of a great man run through with the glorious struggle for human cause of independence, they said, and went on:

His excellency the dear leader Kim Chong-il led the DPRK-U.S. talks to a great victory so that the framework agreement between the Democratic People's Republic of Korea and the United States was adopted and the "nuclear problem" of North Korea completely disappeared from the world.

The imperialists are now hatching up all sorts of plots to isolate and stifle the DPRK for the purpose of removing socialist Korea from the earth so as to completely stamp out the desire of the working people. To defend socialist Korea is at once to defend the desire of the masses of the working people, which is the noble international duty of the trade union movement.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Envoy to PRC on Kim Chong-il's Succession

HK1512072894 Hong Kong AFP in English 0644 GMT 15 Dec 94

[by Tiffany Bown]

[FBIS Transcribed Text] Beijing, Dec 15 (AFP)—North Korea's ambassador here said Thursday his country remained in deep mourning for late president Kim Il-Song and was not yet ready to appoint his son, Kim Chong-II, officially as his successor.

If Kim Chong-II was elected "then people would hail and welcome the Dear Leader," but given the nation's present mood "could you have such kind of celebrations?" Chu Chang-jun told journalists.

He also denied reports from Seoul that the regular session of North Korea's Supreme People's Assembly (SPA)—a rubber-stamp body which must elect Kim Chong-II as president—would be held this week, again pointing to citizens' continuing grief over the July 8 death of his father, the Great Leader.

However, Chu said, the parliament's standing committee had met Monday.

Kim Il-Song "was the greatest leader of the Korean people in 5,000 years of history. So, July 8 was the day we had the greatest sorrow in the 5,000 years of the history of our country," Chu said.

Crowds are still expressing their sorrow before the massive statue of the late president in Pyongyang, indicating that "the mourning period of the people to the Great Leader is still continuing," he said.

The delay in appointing his designated successor has sparked speculation about possible power struggles in Pyongyang as well as concerns about the health of Kim Chong-II.

Chu declined to comment on the younger Kim's health on the grounds that "I am not a doctor."

The ambassador said Kim was already "the supreme leader who is leading the general work of the party, state and army," adding that it was of little significance that he had not yet been appointed either president or general secretary of the Korean Workers' Party.

Describing him as a "simple and humble" individual who was "very considerate of the people's bitterness and sorrow," Chu said without elaborating that Kim "was not willing to take the positions of President Kim Il-Song a few months ago."

"One day we will let you know the good news you are expecting," Chu said, adding that Kim Chong-II was unlikely to be held to the Korean custom for sons to mourn their parents for three years.

"Of course we cannot follow this custom, as three years is a long time," he said.

At the briefing, Chu also said the SPA standing committee had Monday issued a worldwide appeal for the "demolition without delay" of a 240-kilometre (150-mile) concrete wall dividing North and South Korea since 1979 and for the lifting of Seoul's National Security Law banning cross-border contacts.

"The concrete wall built by the South Korean authorities—together with the National Security Law—has

become another barrier to put North-South relations into confrontation and to perpetuate the division of the country," he said.

Reading from the appeal, Chu said the South Korean authorities' refusal to demolish the "most shameful and criminal concrete wall in the world" was an indication of its "hypocritical" policy towards the North.

It proves that "their loudly advertised 'dialogue' and 'cooperation' is nothing but a smokescreen to conceal their separatist nature," the appeal said.

The committee urged Seoul to mark next year's 50th anniversary of the Korean peninsula's division by demolishing the wall and lifting the law.

Novichenko's Family Sends Thanks to Kim Chong-il

*SK1512051294 Pyongyang KCNA in English 0500
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The dear leader of our party and people Comrade Kim Chong-il received a letter of thanks from the bereaved family of Ya. T. Novichenko, an internationalist soldier.

The letter of thanks dated December 10 extends the most heartfelt thanks to Comrade Kim Chong-il for his message of condolence on the death of Ya. T. Novichenko and great material assistance to the funeral ceremony.

Saying that the family of Novichenko will never forget the solicitous care of Comrade Kim Chong-il, the letter wishes him good health and long life and great success in his responsible work of leading the country.

Chongnyon Organizations Send Letters to Kim

*SK1512042994 Pyongyang KCNA in English 0418
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—The dear leader Comrade Kim Chong-il received letters from organizations of the General Association of Korean Residents in Japan (Chongnyon).

The letter from the fourth central meeting of Korean mothers in Japan says that guided by respected General Kim Chong-il, they have been able to defend the Chongnyon organizations and national education and firmly protect the happiness of children with the firm confidence in the future of the socialist homeland of chuche.

It expresses the firm determination to strengthen and develop the union of women to be a creditable organization of overseas Korean women which actively contributes to national reunification and the patriotic work by closely rallying broad segments of Korean women in Japan and, in particular, rear the Korean children to be loyal and devoted to respected General Kim Chong-il.

The letter from an inaugural meeting of the Association of Korean Archaeologists in Japan expresses ardent reverence for and thanks to the great leader President Kim Il-song and respected Comrade Kim Chong-il, who found the father of the Korean nation and wisely guided the magnificent reconstruction of King Tangun's Tomb.

It stresses that the association will contribute to educating the Chongnyon officials and all other Koreans in Japan including the rising generation in the chuche-based consciousness of national independence and in the spirit of infinitely loving the country and the nation.

The letters wholeheartedly wish Comrade Kim Chong-il good health and long life.

Kim Chong-il's Socialism Work Studied Abroad

*SK1512043394 Pyongyang KCNA in English 0426
GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—"Socialism Is a Science," a famous work of the dear leader Comrade Kim Chong-il, has been disseminated and studied in different countries.

A national joint seminar on the work was held by Peruvian political parties, organizations and chuche idea study organizations in Lima.

Angel Castro Lavarello, president of the National Executive Committee of the Left Revolutionary Union of Peru, said in his speech that Comrade Kim Chong-il, the great leader of the Korean people, is the leader of world socialism who has wisely guided the struggle for defending world socialism with his brilliant ideological and theoretical qualities.

He further said:

"The work is the great programme of socialism in our age which develops, enriches and completes, in conformity with the new requirements of the time, the chuche-based idea and theory on socialism which were articulated by President Kim Il-song.

"Immortal will be the feats performed by the dear leader Comrade Kim Chong-il in the noble cause of the final victory in the world socialist revolution."

Genardo Benavides, international secretary of the Central Committee of the Communist Party of Peru (Red Motherland), said in his speech that the feats performed by Comrade Kim Chong-il in the accomplishment of the socialist cause will shine with centuries.

He noted:

"The Central Committee of the Communist Party of Peru (Red Motherland) extends warm congratulations to Comrade Kim Chong-il and affirms that his work will serve as the guideline in our party's activities.

"It is the pride and glory of the present century that such a world leader as Comrade Kim Chong-il has appeared after the great Comrade Kim Il-song."

Wilfred Saens Vigo, chairman of the group for the study of the *chuche* idea of the Federico Villareal University, Peru, said:

"Though I have studied social science as a university professor for 30 years, I have never read such a good treatise as this work. It is a work of worldwide significance as it gives most correct answers to the pressing questions raised by the present era."

A seminar on the work was held in Sofia under the sponsorship of the Bulgarian Communist Party (Marxist).

The work was disseminated and studied by the group for the study of Kim Il-song-Kim Chong-il *chuche* idea in Vienna, Austria, the group for the study of the *chuche* idea in the Huacho National University, Peru, and under the sponsorship of the Portuguese Central Committee for the Study of Kimilsongism in Lisbon.

Meanwhile, a seminar on the work "On the *Chuche* Idea" was held by the Zairean society for the study of Kim Chong-il's works.

Kim Chong-il's Benevolence Toward People Viewed

SK1512042494 *Pyongyang KCNA in English 0408 GMT 15 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 14 (KCNA)—Another legend of human love cropped up in the East Sea of Korea.

Seamen and fishermen were saved on the verge of death under the great benevolent politics of the dear leader Comrade Kim Chong-il.

The dear leader Comrade Kim Chong-il said:

"Our party will invariably and fully pursue genuine politics for the people, benevolent politics which regards the popular masses, the masters of everything in society, as supreme beings and bestows everlasting love and trust on them."

On November 19 this year, a strong wind suddenly assailed the sea off Yongwon, Hwadae County, raising monstrous waves.

The raging waves tilted and gulped a 200 hp [horsepower] tugboat belonging to the Hwadae Marine Transport Station, leaving the fate of 10 seamen and fishermen on board it unknown.

A hard struggle to rescue them went on for more than 20 hours, but to no avail.

Upon receiving a report about it, Comrade Kim Chong-il instantly gave an order to an Airforce unit of the People's Army to rescue them by flying a helicopter.

The helicopter made a low flight, its belly nearly touching the surface of the sea, and lifted the seamen and fishermen in distress one by one. By repeating this adventurous flight it brought all of them to the shore.

People crowded on the seaside and shed tears, hugging the rescued ones. But they did not know at all that Comrade Kim Chong-il sent another plane to the sky above Hwadae County at that moment and made it report to him about the rescue operation. The great politics of Comrade Kim Chong-il who is devoting his all to the people, making the noble idea of "believing in the people as in heaven" the motto of his life has produced in this land many legends to be handed down through generations.

Even in the mourning period when the Korean people were wailing in grief at the sudden death of the great leader President Kim Il-song, he bestowed warmest love upon the people.

On July 12, a special plane was flying through the air filled with sorrow towards a small village adjacent to the demarcation line. It was a plane sent by the dear leader to bring triplets born in that remote village to the Pyongyang Maternity Hospital.

Everyone knows that on the previous day a solemn ceremony of mourning the death of the respected leader Comrade Kim Il-song before his bier was held in the Kumsusan Assembly Hall in Pyongyang.

The people felt their hearts contract with pains when they saw the haggard face of Comrade Kim Chong-il who, in the bitterest grief, was mourning for the great leader before his bier together with senior officials of the state and the party.

Nobody could imagine that he let a special plane fly to rescue the ebbing lives of the triplets, though he was overcome with bitter sorrow and pains.

One summer day ten years ago, when a children's union camp on a bank of River Samgyo was left in an isolated islet by a sudden downpour, he instantly let fly several helicopters to save all the school children.

Planes carrying the love of the dear leader flew to save a girl drifting on an ice block on the West Sea and for a girl machine operator who lost her consciousness, attacked by a sudden illness on a remote mountain top 2,000 meters above the sea level, a technician who was in a Mideast country and a boy in Africa to rescue them whom modern medical science had sentenced to death.

The planes of love fly anywhere on the globe for people and lives in critical conditions are saved by the strength of love. This is the reality of Korea today.

The Korean people live in this cradle of great love.

North Hwanghae Reports Increase in Export Goods

SK1512063394 Pyongyang MINJU CHOSON in Korean 15 Nov 94 p 1

[FBIS Translated Text] Functionaries and workers at the export goods processing station of North Hwanghae province, who are vigorously accelerating to implement the party's trade-first policy, are increasing the production of export goods by properly managing an export goods production base.

The export goods producers at this station, who have vigorously risen up in the struggle for producing export goods by turning their sorrow of having lost the great leader into strength and courage, have, since the end of August, fulfilled the annual production goal of this year ahead of schedule.

They are also vigorously pushing ahead with production on a continuous basis without slackening their enthusiasm for even a moment. Thus, they are effecting constant innovations in production with the goal of exceeding 200 percent by the end of this year.

The great leader Comrade Kim Il-song has taught: "We should firmly build export goods production bases in various sectors of the national economy. Thus, we should increase the production of export goods and enhance their quality."

The export goods processing station is not only more firmly strengthening its export goods production base, but is also vigorously accelerating organizational and political work to enhance the quality of export goods.

By giving priority to political work, functionaries at various departments of the station have mingled with producers in the station and led them to briskly finish the work of building the export goods production base in a short period of time.

In this way, it has been possible to establish more modern processing facilities in the station, to consequently increase various kinds of export goods, and to outstandingly rectify the production processes of industrial products which enjoy high demands.

Producers of industrial products are manufacturing some 10 different kinds of industrial products with good quality.

They have been manufacturing various kinds of new, unique industrial products by pooling their creative wisdom.

Producers of spicery goods, which occupy a large portion in the production of export goods in this station, are producing a large quantity of various kinds of spicery goods with good quality. Also they have manufactured a new type of peppermint oil refining machine, thereby proving their worth.

Implementation of Economic Strategy Urged

SK1512130894 Pyongyang MINJU CHOSON in Korean 12 Nov 94 p 1

[Editorial: "Let Us Thoroughly Implement the Party's Economic Strategy and Further Glorify Socialism of Our Own Style"]

[FBIS Translated Text] All people across the country are now waging the struggle to further glorify socialism of our own style in hearty response to the party's leadership. A crucial key to win a victory in this worthwhile struggle is to thoroughly implement our party's revolutionary economic strategy.

The dear leader Comrade Kim Chong-il has pointed out:

"Thoroughly implementing the party's revolutionary economic strategy and making new turns in socialist economic construction is the most important revolutionary task for us today."

Thoroughly implementing the party's revolutionary economic strategy is an important requirement for improving the people's lives and strengthening the might of the self-reliant economy. The basic goal of the economic strategy is to set the three years to come as a period of adjustment; put forward a strategic policy of directing primary efforts to agriculture, the light industry, and foreign trade during this period; more satisfactorily solve problems in the people's lives; normalize production in all sectors of the people's economy with a primary emphasis on leading sectors; and fully demonstrate the might of the existing economic basis. Fulfilling this goal is an important issue related to the destiny of the revolution, the destiny of socialism, and a crucial key to maintaining socialism of our own style and further glorifying it.

We are now facilitating socialist economic construction amid tense confrontation with the imperialists. Confrontation with the imperialists is not only confrontation involving political and military strength but confrontation involving economic strength. If we are to win a victory in confrontation with the imperialists, we must well carry out economic construction and strengthen the might of the country by all means. When we thoroughly implement the party's revolutionary economic strategy and strongly back up our political and ideological and military strengths on economic and material terms, we will be able to successfully crush any provocation maneuvers by the imperialists and further consolidate socialism of our own style into an invincible fortress.

Today we have a strong basis for thoroughly implementing the party's revolutionary economic strategy. If we efficiently use this powerful economic basis and, thus, make new turns in economic construction, we will be able to significantly improve the people's lives and further glorify socialism of our own style in the shortest time.

How we implement the party's economic strategy, which is very important in accelerating the country's economic construction and improving the people's lives, greatly depends on the roles of economic guidance functionaries. Economic guidance functionaries are those who organize and prosecute the struggle to implement the party's economic policy. Our party now expects economic guidance functionaries to fulfill their missions and roles as leading officials of the revolution in the worthwhile struggle to implement the party's economic strategy.

All economic guidance functionaries must keep in mind the intention of the party in presenting the revolutionary economic strategy and the importance of their place and role in implementing the strategy and must work with a sense of responsibility for economic work carried out in each's sector and unit.

If they are to thoroughly implement our party's revolutionary economic strategy, functionaries must, first of all, work in a revolutionary manner with firm confidence and optimism.

The new economic strategy is a revolutionary strategy to make fundamental turns in socialist economic construction and can be successfully implemented when our functionaries, who are leading officials of the revolution, work in a militant and revolutionary manner with high revolutionary spirits, confidence, and optimism. Functionaries who have no confidence cannot correctly command the struggle to implement the party's revolutionary economic strategy or correctly organize and mobilize the masses' creativity.

Under the wise leadership of the dear leader Comrade Kim Chong-il, our people have turned pains and incomparable sorrow from the loss [of Kim Il-song] into a hundred or a thousand times greater strength and courage, are resolutely crushing the challenge of the imperialists and reactionaries, marching forward vigorously, steadfastly defending and maintaining socialism of our own style, and displaying the dignity and honor of a chuche Korea throughout the world. All people across the country have single-heartedly united around the dear comrade leader and are accelerating the general onward march of socialism of our own style and further glorifying the fatherland's history. This is a clear testament to our party's greatness and the invincibility of socialism of our own style.

The functionaries must correctly see our great might and great struggle and the solemn reality from a chuche-oriented revolutionary view and fight more staunchly. The functionaries must have a firm resolve to do what the party decides and an indomitable fighting spirit, use all their wisdom and energy in implementing the party's economic strategy, and persistently wage the struggle to carry out tasks assigned to each's sector and unit without fail.

If they are to thoroughly implement the party's revolutionary economic strategy, functionaries must also display the revolutionary spirit of self-reliance and arduous struggle.

The revolutionary spirit of self-reliance and arduous struggle is an indomitable revolutionary spirit of creating something out of nothing and turning misfortune into a blessing and a heroic struggle spirit of demonstrating national dignity in any environment. When we highly display the revolutionary spirit of self-reliance and arduous struggle, there will be no difficulties we cannot break through or no fortress we cannot conquer. A key to making new innovations in agriculture, the light industry, and foreign trade lies in highly displaying the revolutionary spirit of self-reliance and arduous struggle. And, an important key to giving top priority to railway transportation and greatly increasing production of electricity, coal, and iron and steel products lies in more highly displaying the revolutionary spirit of self-reliance and arduous struggle.

Functionaries must positively solve problems in economic work in a revolutionary manner with a determination to resolve everything on their own strength even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them. In the course of the struggle to implement the party's economic strategy, there may be unforeseen unfavorable conditions or numerous complicated tasks one after another. However, revolutionaries have no right to do nothing about difficulties, and even a slightest stagnation is not allowed for them. No matter how unfavorable the conditions or complicated the tasks may be, functionaries must carry out work in a revolutionary manner and positively push ahead with it. Functionaries must set examples in self-reliance and arduous struggle like anti-Japanese guerrilla commanders who did not hesitate in any environment or trial but broke through it. They must also carry out organizational and political work to ensure all workers work and fight in the spirit of the great chollima upswing period in hearty response to the revolutionary slogan of self-reliance and arduous struggle. In this way, functionaries must ensure that workers think and work always in the spirit of self-reliance and arduous struggle, display the militant spirit of self-reliance and arduous struggle, and demonstrate the spirit of creations and innovations in their work places.

If they are to thoroughly implement the party's revolutionary economic strategy, functionaries must carry out economic organizational work and endlessly improve economic management.

Economic organizational work and economic management are important tasks that our functionaries must carry out to thoroughly implement the party's economic strategy. Only when functionaries carry out economic organizational work and improve economic management, can they run the economy in a planned and

reasonable manner, heighten the revolutionary enthusiasm of the producing masses, and make the masses' heightened spirits produce actual results in work.

Economic guidance functionaries must map out scientific and realistic plans to implement the party's economic strategy, make all sectors and units of the people's economy work in a unified manner, and sufficiently provide materials, facilities, and other economic and technological conditions in a timely manner. In particular, they must have a correct view and position on people's economic plans, establish the revolutionary spirit of unconditionally implementing the plans, and ensure that the state plans be fulfilled by the day, by the month, by the quarter, and by the indicators. They must also improve materials supply work to comply with the requirements of the economic strategy.

Functionaries must improve management of enterprises and pay deep attention to the work of mobilizing and using internal reserves to the utmost. The more unfavorable conditions are, the harder functionaries must try to solve knotted problems in a revolutionary manner and carry out enterprises management frugally. In particular, functionaries of plants and enterprises must carry out production organization and labor organization reasonably suitable to actual conditions and vigorously wage the struggle to increase production and conservation. In this way, they must find all possibilities for increasing production and produce more with existing work force, facilities, and materials.

An important key to thoroughly implementing the party's economic strategy is technological innovation. Functionaries must carry out economic activities, considering the technological revolution to be a lifeline in socialist economic construction and giving priority to developing technology. They must also mobilize scientists, technicians, and the broad strata of masses in the technological innovation movement and efficiently use their scientific and technological inventions and technological innovations in economic development.

Our tasks are massive. However, as long as there are the party's wise leadership and the revolutionary people single-heartedly united around the party, there is no task we cannot carry out.

All functionaries, with optimism and confidence in the victory of the socialist cause, must organize and wage the struggle to implement the party's economic strategy in a revolutionary manner and, thus, make new turns in socialist economic construction and further glorify socialism of our own style.

Importance, Nobility of Word 'People' Stressed

SK1512113194 Pyongyang KCNA in English 1043 GMT 15 Dec 94

[“ ‘People,’ Noblest Word”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA)—“People” is regarded as the noblest word in Korea.

Comrade Kim Chong-il, the great leader of the Workers' Party of Korea and the Korean people, said in his recent famous work “Socialism Is a Science”:

“‘People’ is a noble word that can be used proudly only by those who are faithful to the people, the communists who fight and devote themselves wholly to the interests of the masses of the people.”

The respected leader President Kim Il-song who founded the great chuche idea long ago and built a socialist society for the popular masses regarded the people as heaven. He saw to it that the word “people” was attached to the names of the country, the Army, monumental edifices and many precious and beautiful places of the country.

Korea has many organs, enterprises, universities and colleges and monumental edifices which have the word “people” in their names. Moreover, the word “people” is used in the (?titles) of state policies.

The word “people” is used in naming the titles of honor for those who render meritorious services in the sacred cause for the country and the people, the society and the collective, for example, people's teacher, people's doctor, people's journalist, people's announcer, people's actor and actress and people's sportsman.

People's prize is awarded to books of science and technologies, works of literature and art, fine arts and sports, which are loved by the people. And prizes bearing the word “people” are awarded to those scientists, writers and composers who create them.

People's prize has been awarded to a large number of works including the sculpture “Bronze Statue of Chollima”, the novel “The New Spring”, the feature film “The Flourishing Village”, the revolutionary drama “The Green Pine Tree”. And the mass gymnastic display “Singlehearted Unity”.

Scientist Yi Song-ki, composer Yi Myon-sang and many others became people's prize winners.

The Workers' Party of Korea is devoting everything to the interests and happiness of the popular masses, upholding the slogan “We serve the people!”

South Korea

U.S. Draft of Reactor Project Foreshadows Debate
SK1512024294 Seoul YONHAP in English 0232 GMT 15 Dec 94

[FBIS Transcribed Text] San Francisco, Dec. 14 (YONHAP)—The U.S. draft version of a nuclear reactor contract with North Korea does not specify that the reactor will be a South Korean model as Seoul insists,

foreshadowing an uneasy debate at this week's consultations, diplomatic sources said Wednesday.

Moreover, the U.S. version says Washington will assume the chairmanship of the Korea Energy Development Organization (KEDO) that will oversee the reactor project, but is unclear on South Korea taking the next highest seat, the sources said.

South Korea, Japan and the United States have gathered here for bilateral and trilateral consultations Thursday and Friday on the formation and operation of KEDO, which will provide new reactors for North Korea and interim energy in exchange for suspension of the North's dangerous nuclear development program.

The three countries are major players in KEDO. Washington is to represent the organization but South Korea is expected to put up the majority of the project cost on condition that its reactor model is selected.

A source well-versed in the negotiations said the U.S. draft does not specify that the model will be of South Korean design in the KEDO charter.

South Korean chief delegate Choe Dong-jin, however, at a dinner meeting Wednesday reaffirmed his country's position that this detail has to be included in the charter and in the main contract to be signed between North Korea and the United States.

The omission is apparently due to Pyongyang's fierce opposition to accepting the South Korean model.

The draft is also unclear about South Korea taking the deputy post, according to the source.

"Washington notified South Korea and Japan recently of its draft on KEDO's establishment," said the source, "but it wasn't made clear that KEDO's purpose is to provide the South Korean reactor model.

"We don't believe the U.S. Government is actually against making this specification, so the South Korean Government plans to actively persuade Japan and the United States."

The source, saying Seoul stands firm that it must be the deputy chief in KEDO, noted that "we will definitely address this issue."

DPRK's Kim Yong-nam on Inter-Korean Talks

SK1412224594 Seoul KBS-1 Radio Network in Korean 2100 GMT 14 Dec 94

[Report by Yi Myong-ku from Berlin]

[FBIS Translated Text] North Korea has claimed that it could resume South-North dialogue only if our government apologizes for banning people from expressing condolences over Kim Il-song's death.

North Korean Foreign Minister Kim Yong-nam said this in an interview by Germany's FRANKFURTER

ALLGEMEINE. In the interview, Kim Yong-nam stated that it was an antinational, criminal act for President Kim Yong-sam to have banned people from holding meetings in memory of Kim Il-song's death and to have placed the ROK Armed Forces under a state of emergency, adding that South-North dialogue could be resumed if the president apologized.

Kim Yong-nam said: The reason power succession has not yet materialized in North Korea is that the North Korean residents are still in shock. Under any circumstances [ottohan kyongurado], North Korea will stick to the communist system and the planned economy.

'Orderly Approach' to N-S Economic Ties Urged

SK1512001494 Seoul YONHAP in English 0004 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—Vice National Unification Minister Song Yong-tae called on businessmen Thursday "not to hurry, but to take a prudent and orderly approach to economic cooperation with North Korea from a long-term perspective in consideration of the North's dual and uncertain attitude toward the matter."

In an address delivered at a breakfast meeting sponsored by the International Management Institute, affiliated with the Federation of Korean Industries (FKI), Song said: "The government is promoting inter-Korean economic cooperation taking into account not only the economic aspect but the general, comprehensive aspects of inter-Korean relations as well with a view to pushing it without a hitch."

Song called for concerted government-business efforts "to prevent the problems that arose when the nation advanced into countries with no diplomatic ties from recurring in inter-Korean economic cooperation." This was an indirect appeal for companies to refrain from excessive competition in promoting economic links with Pyongyang.

Touching on the need to establish institutional mechanisms for inter-Korean economic cooperation, the vice unification minister deemed it necessary to resume South-North dialogue at an early date.

"Until institutional devices for guaranteeing investment and personal safety and others are worked out between Seoul and Pyongyang authorities, the government will gradually lay the foundation for inter-Korean economic links through demonstrative economic projects in the North," Song added.

N-S Relations in Post-Kim Il-song Era Viewed

SK1512010794 Seoul YONHAP in English 0048 GMT 15 Dec 94

[Report by Kim Tae-yong: "Kim Il-song's Death Fails To Bring Ease to Pyongyang's South Korea Policy"]

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—When North Korean radio announced that Kim Il-song had died on July 8, shock waves were felt throughout the Korean peninsula as well as the rest of the world.

This was the case not because Kim had still looked healthy despite his advanced age of 82 at his death, but because an inter-Korean summit was to be held for the first time in the 49 years since the peninsula was divided into the capitalist South and the communist North in 1945.

Kim had apparently intended to improve inter-Korean relations before he died, but his decision came too late.

He had agreed to hold an inter-Korean summit with his South Korean counterpart Kim Yong-sam from Aug. 25-27 in Pyongyang to talk about the nuclear issue and various ways to improve inter-Korean relations, which had been cool for a long time.

But at noon on July 9, North Korean radio announced that Kim Il-song, general secretary of the Central Committee of the (North) Korean Workers' Party and North Korean president, had died suddenly of an unexpected illness at 2:00 a.m. July 8.

Several North Korea experts had predicted that if the elderly Kim Il-song passed away, North Korea would experience revolutionary change and have to open up to the outside world. Despite such predictions, there is still no sign of change in the communist country.

Kim's Son and heir-apparent Chong-il, chairman of the Defense Committee who had long been groomed for the post of top executive, began to rule North Korea after his father died.

However, he has yet to formally take office as president and general secretary—the top posts in the government and Workers' Party.

Kim Chong-il, supreme commander of the North Korean military, seems to be presiding over a deterioration in inter-Korean relations instead of improving them as his father had intended.

Some experts here believe that Kim Chong-il may respect his father's will and stage the inter-Korean summit talks soon, but he has not given any indication that he intends to do so.

The South Korean Government has waited for Kim to assume the top government and party posts for the summit, but he has not acted on the matter and, in fact, doesn't seem ready for such talks.

Other experts felt that the North Korean socialist system would collapse shortly after Kim Il-song died, but the country is maintaining the status quo. In addition, there are no particular signals that Kim Chong-il is in danger of losing power.

For all that, there has been a little change, although this was advocated by the late Kim Il-song.

Kim Chong-il got rid of one diplomatic woe by signing the agreed framework with the United States on his country's nuclear program.

North Korea and the United States got together Oct. 21 to initial the agreed framework, which freezes North Korean nuclear activities in return for light-water reactors and an alternative energy supply.

The agreement has contributed to stabilizing the newly formed Kim Chong-il system to some extent as the outside world wondered whether Kim was really in control.

In an apparent attempt to demonstrate the authority of Kim Chong-il, North Korea announced in a special broadcast that Kim, in his capacity as supreme commander of the North Korean military, had ordered the construction of the Chongnyu Bridge in Pyongyang.

He also published an essay titled "Socialism Is a Science" in which he clarified his ruling philosophy in November.

Based on all available evidence, he appears to be consolidating his leadership—no less so than his father before him.

Above all, however, his greatest challenge is expected to come from the North's devastated economy, which has continued to record minus growth over the last few years.

In fact, the North Korean economy had hit bottom when Kim Il-song died.

In the late 1980s, the east European socialist countries began to collapse and the former Soviet Union broke up. Therefore, North Korea's economic links with these nations were severed, further damaging an already faltering economy.

What's more, the North Korean nuclear program emerged as a major international issue after Pyongyang announced its withdrawal from the International Atomic Energy Agency early last year, frustrating the North's efforts to improve relations with Western countries to achieve economic revitalization.

The West reacted by imposing virtual economic sanctions on North Korea until the nuclear problem is solved. As a result, the North Korean economy failed to be revitalized.

North Korea is believed to have recorded negative economic growth in the first half of this year due to shortages of energy and raw materials, according to the National Unification Board (NUB).

This is but one indication that the economic difficulties facing North Korea were passed on to Kim Chong-il by his father as a dubious legacy.

Now as Kim Il-song's successor, Kim Chong-il will have to overcome these economic woes to maintain the current system.

The best—although perhaps most unpalatable—way for North Korea to revive its flagging economy is to cooperate with the South. Considering the factors of language, distance and culture, there is no economic partner better than South Korea.

Last November, South Korea announced that it would allow domestic enterprises to advance into the North as a sign that it would actively help the North develop its economy.

Thus far, however, Kim Chong-il has shown little interest in inter-Korean economic cooperation.

Indeed, Pyongyang rejected the Seoul proposal for bilateral economic cooperation shortly after it was announced.

Experts on inter-Korean relations observed that the North Koreans may have judged that they can win more political and economic benefits from the United States than from South Korea for the time being, while still upholding their pride.

In any event, Pyongyang has rejected a few proposals from Seoul, taking a more uncompromising attitude toward the South than it did when Kim Il-song was alive.

Although Pyongyang has not openly said so, it demands as a precondition for inter-Korean dialogue that Seoul express condolences over the death of Kim Il-song.

Given this attitude, Kim Chong-il is likely to maintain the status quo for a considerable period and adhere to Kim Il-song's policy without making changes.

But in the long run, North Korea will have no choice but to opt for change to survive in a rapidly changing world, according to North Korea experts.

Kim Chong-il is fueling talk in the outside world over why he has not taken the top government and party posts. There are many theories as to why nothing is being done.

Stay tuned: The answers to all of the speculation may be provided next year.

North Said To Resume N-S Sports Exchanges

SK1512064494 Seoul YONHAP in English 0631 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—North Korea might take part in international sporting events from next March and agree to resume inter-Korean sports exchanges, which were suspended more than two years ago, a Culture and Sports Ministry official said Thursday.

The official said Chang Ung, secretary of the North Korean Olympic Committee, attended the General

Assembly of the Association of National Olympic Committees (ANOC) held in Atlanta, the United States, on Wednesday.

Chang was quoted as saying that his country, which stopped participating in international sports events after the '93 Winter Universiad in Zakopane, Poland, in February 1993, will begin appearing at various events to be held in foreign nations from March.

In light of Chang's remarks, the ministry has decided to pursue revitalization of inter-Korean sports exchanges, the official said.

Such exchanges were suspended when a judoka, Yi Chang-su, escaped from the North Korean delegation on its way home from an international judo championship, requesting political asylum at a South Korean embassy in Europe more than two years ago.

However, as inter-Korean dialogue is unlikely to resume soon, sports exchanges may not occur before next March, according to the official.

The ministry will prepare for possible contacts with North Korean sports officials at the World Table Tennis Championship slated for next May in China.

It will also invite North Korea to the plenary session of the Olympic Council of Asia (OCA) due in Seoul next May and to various international sporting events to be staged here in 1995.

Among these international competitions are the Asia weightlifting championship in May, the 18th Asian basketball championship for men in July and the eighth Asian men's volleyball championship in August.

Report on North's Civil Liberties Rating Noted

SK1512115794 Seoul YONHAP in English 0807 GMT 15 Dec 94

[Embargoed by YONHAP until 1430 GMT 15 Dec]

[FBIS Transcribed Text] Washington, Dec. 15 (YONHAP)—South Korea stands among the world's 76 "free democracies" while North Korea earns a "worst of the worst" rating for political rights and civil liberties in 1994, a U.S. human rights organization announced Thursday.

The non-profit organization Freedom House gave worst ratings to 21 countries including China, Libya, Cuba, Rwanda, Vietnam, Somalia and Saudi Arabia, citing the total or near complete absence of civil liberties and political rights.

The New York-based non-partisan group awarded North Korea, Iraq and Sudan the dubious honor of being the worst of the worst, making mention of the death in July of Kim Il-song, North Korea's longtime Stalinist leader.

Among the globe's total 191 countries, 114 or 60 percent are now formal democracies with elected governments

having a framework of basic representative institutions, according to Freedom House.

Of the 114 democracies, 37 are rated "partly free" because of internal divisiveness, rampant corruption, overarching influence by the military or oligarchy, or destabilization from abroad and one, Bosnia, is "not free" because of the government's inability to maintain basic civil order amid inter-ethnic strife and external destabilization, Freedom House said.

"Many democracies face serious challenges to their stability and are incapable of guaranteeing the basic rights of their citizens," said Adrian Karatnycky, president of Freedom House.

Ethnic and sectarian strife are a substantial factor in the erosion of liberties in the "partly free" democracies of India, Turkey, Mali and Niger, according to Freedom House.

In the transition from communism, the new democracies of Russia, Ukraine, Romania and Albania still lack a full range of effective civic institutions, including a truly free press and independent judiciary.

Another major debilitating factor for some democracies, many in Latin America, is the level of corruption and influence of drug cartels, said the human rights group founded in 1941.

Although the largest number in history (114 out of 191) and more than double the total of the early 70s are currently formal democratic countries, "the vast majority of the globe's population, nearly 80 percent, live in partly free or not free states," Karatnycky said.

The fact is that many partly free and not free nations, like India and China, respectively, have large populations, he said, adding that the number of people living in not free societies—those denied most political rights and civil liberties—stood at 40 percent.

The number residing in free countries increased by some 70 million people to 20 percent while those living in partly free societies, where some basic rights are abridged, stood at 40 percent, according to the human rights organization.

In its Asia section, Freedom House said that the death in July of Kim Il-song, North Korea's longtime Stalinist leader, failed to improve human rights under one of the world's three most repressive regimes.

China remains one of the most repressive systems in the world, but market reforms loosened the communist party's control over economic life, the organization said.

Japan, in the meantime, passed a new election law that promises to further increase political competition.

Li Peng Canceled North Visit Due to Kim's Death
SK1512092194 Seoul YONHAP in English 0849 GMT 15 Dec 94

[FBIS Transcribed Text] Hong Kong, Dec. 15 (YONHAP)—Chinese Premier Li Peng had planned to visit

North Korea as well after his visit to South Korea but cancelled it due to Kim Il-song's sudden death, the pro-Beijing monthly KUANG CHIAO CHING reported Thursday.

In an article titled "Korean Peninsula Situation and China" carried in its December issue, the monthly said Beijing prepared such travel plans after South Korean President Kim Yong-sam invited Li to visit Seoul during his trip to China in March.

The two countries' foreign ministries started negotiations on the premier's trip to South Korea immediately after Kim extended the invitation, but Beijing mapped out an itinerary for Li to visit North Korea as well as South Korea, KUANG CHIAO CHING reported.

Li's planned visit to Pyongyang had to be abandoned because Kim Il-song's death in July plunged North Korea into a period of power transition and adjustment, rendering it inconvenient for Pyongyang to receive foreign dignitaries, the magazine said.

Li's planned tour of both South and North Korea in one go testifies that Beijing is pursuing a policy of equidistance toward Seoul and Pyongyang, the monthly said.

KUANG CHIAO CHING added that Chinese President Jiang Zemin and National People's Congress Standing Committee Chairman Qiao Shi are scheduled to visit South Korea next year.

Rabin: DPRK Supplies Scuds to Iran, Syria

SK1512065994 Seoul YONHAP in English 0651 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—Israeli Prime Minister Yitzhaq Rabin claimed here Thursday that North Korea has supplied Iran and Syria not only Scud-C ground-to-ground missiles with a range of 500 kilometers but also key military technology.

Speaking at a joint press conference held at President Kim Yong-sam's Chongwadae [presidential offices] office after their summit talks, Rabin said he understands the Stalinist country is developing the 1,300-km Nodong missile with Iranian financial aid.

Iran and Syria have missile launching pads and one of these countries is capable of producing Scud missiles, he added.

Noting the special relationship between Iran and North Korea, whose military cooperation helps Iranian Islamic extremists which not only threaten moderate Arab countries but also world peace, the Israeli leader expressed hope that South Korea and the United States would use their influence to stop North Korea meddling in Middle East affairs.

Rabin said he and President Kim agreed that regional conflict should be settled through direct dialogue

between the parties concerned, adding that as the potential strife in Israel influences the world beyond the Middle East, so too does tension on the Korean peninsula.

President Kim stressed the need for concerted international efforts to cut the Pyongyang-Tehran military links and offset Iranian Islamic radicals, saying nothing that is harmful to world peace must be allowed.

Kim said he and Rabin agreed to conclude a 90-day visa waiver agreement shortly and a full visa waiver pact in the future.

Middle East Decides on Heavy Oil for DPRK

SK1512020294 Seoul MUNHWA ILBO in Korean 14 Dec 94 p 2

[By reporter Kim Chae-muk]

[FBIS Translated Text] According to Seoul diplomatic sources on 14 December, three oil-producing Middle East countries—Saudi Arabia, Kuwait, and the United Arab Emirates—have decided to participate in the provision of heavy oil to North Korea, pertinent to the agreement between North Korea and the United States.

According to the sources, the United States promised to supply North Korea with the first lot of 50,000 tonnes, and that the three countries will provide the remaining lots of heavy oil stipulated in the North Korea-U.S. agreement.

The sources added that, through individual contacts, the three countries responded positively to persuasion by the United States that this will control North Korea's missile exports to Iran, Iraq, and Libya.

North Korea and the United States agreed on 21 October that 50,000 tonnes of heavy oil will be supplied to North Korea in three months, an additional 100,000 tonnes in 1995, and 500,000 tonnes each year from 1996 until the light-water reactors are completed and in operation.

Meanwhile, the ROK, the United States, and Japan will have a policy meeting in San Francisco on 15 December to discuss the establishment of the Korea Energy Development Organization (KEDO). The three countries are expected to conclude a draft to define the legal position of the KEDO as a multinational agreement [tagukkan habuiso] rather than a multilateral international treaty [tajagan kukche hyopchong], which requires that each country obtain domestic ratification.

The three countries reportedly received positive responses in individual contacts with G7 nations on participation in KEDO.

Seoul on Middle East Conference Participation

SK1512075894 Seoul YONHAP in English 0732 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—South Korea pledged to take part in a multilateral

conference for peace in the Middle East and backed it up with 12 million U.S. dollars in promised assistance at a summit with Israel Thursday.

President Kim Yong-sam and Israeli Prime Minister Yitzhaq Rabin agreed that the success of Palestinian self-rule is critical to the restoration of peace in the Middle East, and Kim vowed his country's best possible efforts to this end.

The two leaders further agreed on Seoul's participation in the multilateral conference, which would make South Korea the second participant from Asia after Japan.

To make his nation's participation concrete, Kim promised 12 million dollars in aid including a free 10 million dollars.

The two countries agreed that South Korean companies with business experience in the Middle East would take part in various economic development and infrastructure construction projects.

Rabin is the first Israeli head of government to come here since diplomatic normalization in 1962. His visit is being hailed as a much-awaited bond of friendship with a country whose past relations were hampered by South Korea's ties with the Arab world.

The two leaders shared the view that North Korea must adhere to the terms of the Oct. 21 nuclear agreement to bring peace to the Korean peninsula.

They pointed out that North Korean arms sales to the Middle East threatens stability in the region, and Rabin said he would consult closely with South Korea in pursuing any rapprochement with the North.

Rabin delivered an invitation from his president to Kim asking him to visit Israel. Kim said he would do so at the earliest possible date.

Sunkyoung Plans To Invest in PRC Over 10 Years

SK1312123794 Seoul YONHAP in English 1212 GMT 13 Dec 94

[FBIS Transcribed Text] Beijing, Dec. 13 (YONHAP)—South Korea's Sunkyoung Business Group plans to invest a total of 9.1 billion dollars in China in the next 10 years.

To discuss the investment with Chinese leaders and his Chinese business partners, Sunkyoung Chairman Che Chong-hyon is set to visit Beijing on Dec. 16-21.

According to Sunkyoung's China headquarters, the investment to be made through 2004 will include 900 million dollars in the development of oil fields and substitution energy, 3.7 billion dollars in oil refinery and related facilities and 1.5 billion dollars in petroleum and precision chemical industries.

The remainder will be 800 million dollars in textile, 600 million dollars in film and optical memory, and 1.6 billion dollars in logistics centers and social overhead capital.

As an initial step, Sunkyong Group has already agreed with the China National Petrochemical Corp. (Sinopec) to set up a joint-venture petrochemical estate capable of producing 5 million tons of products a year.

A site is being chosen in the Shandong Province area for the 1.5 billion dollar estate, it said.

During his China visit, Che will also give a lecture before a group of about 400 senior Sinopec officials on the "Sunkyong management system," Yi Chong-su, head of the China headquarters, said Tuesday [13 December].

First Required Farm Imports Under UR Pact Made

SK1512011694 Seoul YONHAP in English 0106 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—The minimum required agricultural imports under the Uruguay Round (UR) agreement for next year have already been ordered, coming in amounts that South Korea needs to import anyway, the Agriculture, Forestry and Fisheries Ministry said Thursday.

The ministry increased pepper, garlic and onion imports, whose supply is expected to fall short at this year-end and early next year, officials said, and the required imports next year under the UR's minimum market access were ordered for shipment between January and February.

This is Seoul's first purchase required by the UR agreement.

South Korea placed the orders earlier than planned because of an expected shortage in these items. Prices are lower because this is the shipment season for major exporters, the officials said.

The government elevated daily garlic sales from 200 tons to 300 tons and will buy up the remainder of the imports, 8,000 out of 40,000 tons, earlier than planned.

Some 500 to 600 tons of onions will be sold instead of 300 tons daily. The minimum imports for next year, 12,000 tons, have already been ordered from the United States for arrival in January and February, the officials said.

Pepper, 4,300 tons in all, will be shipped in from China under the minimum market access, also between January and February, they said.

Prices of the condiments have risen slightly during the winter season, with pepper going up 1.8 percent while garlic goes for 5.2 percent more.

Onion prices are relatively unchanged.

South African Envoy on Commercial Relations

SK1512002594 Seoul THE KOREA HERALD in English 15 Dec 94 p 8

[FBIS Transcribed Text] Direct investments or joint ventures with South African business partners will certainly offer the Korean business community an ideal

gateway into lucrative African markets, Amb. Alexander Van Zyl [name as published] of South Africa said yesterday.

To facilitate Korean investments in his country, the South African government is pushing for the early signing of the mutual investment guarantee, the double taxation prevention and aviation agreements with Seoul government, he disclosed.

Amb. Van Zyl made the points when he met with Pak Yong-il, chairman of The Korea Herald and concurrently chairman of Dainong Business Group at the latter's office.

Expressing his satisfaction with the ever expanding commercial and trade ties between Korea and South Africa, he observed that the two-way trade would surpass \$1 billion mark this year for the first time. In 1993, the two-way trade increased by a healthy 53 percent to reach \$804 million, a trend which is continuing so far this year.

In fact, the first notable contact between Korea and South Africa dates back to the early 1950s when about 800 South African pilots joined the Korean War (1950-53). A total of 37 South Africans lost their lives in pursuit of South Korea's struggle for freedom when North Korea invaded the South.

Presently, bilateral trade forms the backbone of relations between the two countries with the two-way trade increasing steadily throughout the 1980s and 1990s up to a point where South Korea has become the country's fourth largest trading partner in Asia and the 14th globally.

Describing the bilateral relations as "sound and friendly," Amb. Van Zyl said: "The exchanges between the two countries are increasing with the establishment of diplomatic relations and vary from cultural events, such as children's art competitions, to ministerial visits."

Having voluntarily reversed its own nuclear weapons program, South Africa cosponsored a South Korean request for an IAEA [International Atomic Energy Agency] inspection which called on North Korea to open her nuclear facilities to international inspection during October 1993. South Korea, in turn, supported South Africa's applications for membership to major international organizations like the Interpol and the Universal Postal Union (UPU).

"I think the early 1990s marked political turning points for both countries when both embarked on routes of reform to enable them to face the challenges of a fast changing world," Amb. Van Zyl said pointing out that South Africans started out on a road that lead the country to its first fully democratically elected government led by President Mandela.

Many of positive developments in both Korea and South Africa this year hold the potential for strong relations in future, he said.

DLP, DP Agree to Ratification of WTO Accord

*SK1512080994 Seoul YONHAP in English 0745 GMT
15 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—The ruling Democratic Liberal Party (DLP) and the opposition Democratic Party (DP) reached a dramatic agreement Thursday to pass the government-proposed bill for admission to the World Trade Organization, together with the opposition-sponsored bill implementing the Uruguay Round Trade Accord, in the National Assembly during its current session.

Under the agreement reached at a floor leaders' meeting arranged by Speaker Hwang Nak-chu, the parties will jointly call a five-day special session of the assembly from Dec. 19 to pass amendments to the local self-government law and approve the government-proposed reorganization bill in a separate parliamentary session.

The ruling DLP vowed to deal positively with the seven DP-proposed bills in the first special parliamentary session to be convened next year.

The assembly plenary session resumed Thursday afternoon in accordance with the agreement between the two parties and handled 20 legislative bills, including an amendment to the education law, and 12 agenda items, including ratification of an extradition treaty with Canada.

The Foreign Affairs and National Unification Committee will deal with a draft special law on implementing the World Trade Organization (WTO) system and a bill on ratifying the WTO as soon as the plenary session adjourns.

The agreement on WTO ratification was reached after the DP withdrew its call for an immediate adoption of its seven measures aimed at spurring the development of rural areas, which it had proposed to complement the WTO system, and instead accepted a DLP offer to study them as a long-term issue.

Committee Votes on Ratification

*SK1512115994 Seoul YONHAP in English 1151 GMT
15 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—The Foreign Affairs and National Unification Committee of the National Assembly Thursday afternoon voted to ratify the agreement on the World Trade Organization (WTO).

The committee also passed a special law bill on the implementation of the WTO agreement as worked out in a bipartisan agreement.

The approved ratification bill was referred to the assembly plenary session and the special law bill to the legislation and judiciary committee for respective actions.

The assembly plenary session is expected to act on the two controversial bills on Saturday, the final-day session of the current assembly sitting.

Earlier in the day, the assembly plenary session acted on a total of 32 bills.

The bills adopted included the ratification of the Korea-Spain criminals extradition agreement and a resolution supporting the 2002 World Cup Soccer Games in South Korea.

DLP Plans Leadership System Reorganization

*SK1512064194 Seoul YONHAP in English 0538 GMT
15 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—The ruling Democratic Liberal Party (DLP) plans to completely reorganize the current leadership system at its national convention slated for next February, a senior party official said Thursday.

The current vertical chain of command consists of a party president chairman, the central standing committee chairman and three key post-holders. Therefore, an across-the-board leadership reorganization would inevitably affect the party's chairmanship currently held by Chairman Kim Chong-pil, observers said.

DLP Secretary-General Mun Chung-su said, "Our party will be studying agenda items to be tabled at the national convention starting from a central executive council meeting next week. If we are to change the major framework of the party's constitution, then we should discuss such changes at the party's official institutions."

He added that the DLP should hold the convention before Feb. 20, suggesting that the party will hasten to revise its constitution and rules.

The DLP plans to have the central executive council and other official organizations discuss the leadership system change first.

The party is studying various means of change including the replacement of the chairmanship with two or more vice presidents or a plural-member supreme council similar to what the party once had in the wake of its birth, according to some DLP officials.

In case the plural vice president system is adopted, informed sources said, an idea is under consideration that a "party chairman" be elected through balloting and be empowered to control the party in place of the party president.

Meanwhile, the party also aims to revise its platform according to changes in the situation both within and outside the country, Rep. ~~Min~~ said.

Enterprises Agree To Accept Surplus Officials

*SK1312091194 Seoul YONHAP in English 0828 GMT
13 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 13 (YONHAP)—Leading business groups have agreed in principle to

accept about 150 of the 900-odd government officials set to lose their current jobs in the ongoing state reorganization.

Che Chong-hyon, chairman of the Federation of Korean Industries (FKI), spoke with reporters over lunch after meeting with FKI vice chairmen and agreeing to the measure.

Che, also chairman of the Sunkyoung Business Group, said he plans to confirm the business community's position after consulting the chiefs of five economic organizations and meeting the directors of planning and coordination of large enterprises.

Hyundai Group Chairman Chong Se-yong, Hyosung Group Chairman Cho Sok-nai and other heads of large business groups attended the meeting.

They reacted positively to the planned reorganization, saying that eliminating unnecessary government divisions itself is a relaxation of regulations on the private sector.

On how the surplus government manpower will be absorbed, he said it will take the form of scouting by enterprises, not of government-overseen distribution.

He admitted that the business world had recently received a government proposal on accepting the surplus manpower.

Retired General in 18 May Uprising Case Summoned

SK1312063094 Seoul YONHAP in English 0545 GMT 13 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 13 (YONHAP)—The prosecution, looking into a suit brought against the Army for its armed suppression of the Kwangju citizens' uprising for democracy in May 1980, summoned Lt. Gen. So Chun-yol, Ret., former commander of the combat doctrine and training command, for questioning Tuesday.

The general was queried about the advance of the Seventh Airborne Brigade into Kwangju City at dawn on May 18, 1980, the armed suppression of public demonstrations and the airborne brigade's chain of command.

So reportedly told prosecutors that he led the operation against demonstrations in Kwangju on orders given by the martial law commander via the Second Army commander since he was appointed combat doctrine and training commander and concurrently Cholla area martial law commander on May 21.

The prosecution was to call in Sin U-sik, former commander of the Seventh Airborne Brigade, for questioning the same day, but postponed the action as he asked for more time to prepare answers.

Kim Tae-chung's Nobel Prize Candidacy Viewed *SK1512013194 Seoul YONHAP in English 0121 GMT 15 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—The major opposition Democratic Party (DP) has started a signature campaign to recommend Kim Tae-chung, chairman of the Peace Foundation for the Asia-Pacific Region, as a candidate for the 1995 Nobel Peace Prize.

A DP official said Thursday that toward that end signatures are being collected from DP lawmakers, and the party plans to approach academic and religious figures for their support as well.

This marks the first time for a political party to promote someone as a Nobel Peace Prize candidate, and the eighth occasion for Kim Tae-chung to be recommended as a candidate for the prize. Any administrative work involved in the effort will be undertaken by Kim's peace foundation, according to the official.

Noting that the Nobel Peace Prize has been given to a number of politicians for their contributions to world peace in recent years, a DP National assemblyman close to Kim Tae-chung voiced hope that "should Pyongyang-Washington relations progress substantially and an atmosphere conducive to peace settle down on the Korean peninsula in 1995, Kim might be given the prize along with former U.S. President Jimmy Carter in recognition of their contributions to resolving the North Korean nuclear issue."

Defense College Conducts Poll on Security

SK1512030594 Seoul YONHAP in English 0256 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—Half of South Koreans still consider a North Korean invasion distinctly possible and nearly 50 percent of men are ready to take up arms right away if the North does attack, according to a recent poll on the sense of national security.

Only 18.3 percent of the "people in the leading group" polled, however, said that they would fight if the North launched an attack.

The poll of 1,206 ordinary citizens and 279 people in the elite group conducted by Sogang University's Journalist Culture Institute, under a contract with the National Defense College's National Security Institute, revealed that 43.3 percent of the former group and 55.5 percent of the latter consider an invasion by the North highly possible.

Only 33.8 percent of the former and 24.4 percent of the latter saw it as a slim possibility or almost impossible.

Asked if they would fight in case the North attacked, 45.2 percent of ordinary males replied that they would do so immediately.

Ordinary women ready to stand and fight with the men accounted for 11.5 percent of the female respondents.

Those who replied that they would continue with their jobs in the event of war, while leaving the fighting to the Armed Forces, represented 28.5 percent of the ordinary men and 62.4 percent of the elite, while 7 percent and 6.1 percent said they would seek refuge if war broke out.

As for the outcome of another war with the North, 47 percent of the ordinary people and 71 percent of the elite believed the South would win after an initial setback, while 12.4 percent and 6.8 percent said the South would immediately launch a counterattack to unify the nation under its control. Those who replied that the North would conquer the South accounted for 4.8 percent and 2.6 percent, respectively.

Asked about change in North Korea over the coming 10 years, 43.9 percent of the ordinary people and 53.8 percent of the elite predicted that the North would collapse by itself, while 22.9 percent and 26.5 percent said it would open its market to the world under a reform program.

As for the prospect of Japan becoming a military power, 78.9 percent of the ordinary people and 85.6 percent of the elite said its influence would be bad for South Korea.

Asked which country South Korea should guard against to preserve its national security, the ordinary people cited Japan (53.9 percent), the United States (20 percent), China (15.4 percent) and Russia (7.8 percent), while the elite named China (47.3 percent), Japan (38 percent), Russia (7.5 percent) and the United States (3.6 percent).

As for the influence of U.S. troops in Korea on South Korea's national security, 80.7 percent of the ordinary people and 95.3 percent of the elite saw it as "important."

Asked about the Kim Yong-sam government's military reform, 67.4 percent of the ordinary people and 78.5 percent of the elite were aware of it, saying the military has been greatly or somewhat reformed.

A related poll of 144 officers and 285 enlisted men in the Armed Forces, conducted by the National Defense College's National Security Institute, showed that 77.8 percent of the officers and 61.3 percent of the enlisted men

believed in the South's final victory after an initial setback in another war with the North, while 5.6 percent and 17.3 percent predicted that the South would immediately launch a counteroffensive to unify the country under its control.

As for the government-launched military reform, 80.3 percent of the officers and 84.3 percent of the enlisted men said the military has been reformed under the Kim administration.

DLP Stresses Economic Support of Democracy

SK1512055994 Seoul YONHAP in English 0528 GMT 15 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 15 (YONHAP)—Without the bulwark of economic power, democracy cannot take hold in South Korea, ruling Democratic Liberal Party Chairman Kim Chong-pil said Thursday at a breakfast meeting of the Pulam-hoe, a fraternity of retired Army generals who graduated from the Korean Military Academy.

"There are many people who often call themselves fighters for democracy," he continued, "and there was a time when placing democracy above anything else was accepted as political logic. But I think democracy would not take hold without the support of economic power. The case of the Philippines after the 1950s and 1960s when it was recognized as a good democracy is a good historical lesson of how democracy should develop and take hold.

"But some people like to assess things past by the yardstick of today's logic because they don't know history. Today we often hear such offending words to our ears as 'military culture,' but we should take pride in what we have contributed to developing the nation into what it is today.

"We've already taken a step forward toward globalization, and I think globalization cannot be achieved by words only as its goal is a pleasant and affluent life for the people. So, globalization is not for politics but for the economy."

Kim then quoted French writer Andre Maurois as having said that culture, no matter how developed, would fall without the power to protect it and added, "The defense of our national security must be based on firm cooperation and mutual help with the United States."

Burma**UN Committee Deplores Human Rights Violations***BK1512095394 Bangkok THE NATION in English 15 Dec 94 p A5*

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] A UN General Assembly committee yesterday adopted by consensus a resolution deploring continued human rights violations in Burma and calling for an unconditional and immediate release of detained opposition leader Aung San Suu Kyi.

While the resolution, which sailed through the General Assembly's third committee on social, humanitarian and cultural matters without a vote, notes and welcomes efforts by the Burmese junta in cooperating with the UN, it criticizes the regime for failure "to accelerate the process of transition to democracy."

It urges the ruling junta, the State Law and Order Restoration Council (Slorc), to live up to "its assurances given at various times, to take all necessary steps toward the restoration of democracy in accordance with the will of the people as expressed in the democratic elections held in 1990."

The document, which is sponsored by nearly 40 countries, said the human rights situation in Burma has resulted in the flow of Burmese refugees into neighbouring countries, creating problems for the countries concerned. It expresses concern about the Burmese army's attack on Mon refugees at Halockhani on July 21.

An informed source in Bangkok said the resolution this year was the result of intensive consultations between the drafting countries and Asean members, especially Thailand which had strongly opposed the early drafts which contained a critical and direct reference to the attack on Halockhani.

The early draft condemned Slorc for the attack and asked all neighbouring countries "to refrain from any act of refoulement (expulsion) to Burma of the Burmese refugees, whether by force, coercion or threat and to ensure that all repatriation is voluntary and monitored in site by the UN High Commissioner for Refugees".

Thai authorities considered the strongly-worded paragraph as a direct criticism against Thailand as it had repatriated about 6,000 Mon refugees to a border camp in Burma.

Asean has been a strong defender of the Burmese junta and has tried to recruit Slorc into its regional orbit by inviting it to attend the Asean ministerial meeting in Bangkok last July.

The committee's resolution will be forwarded to the full UN General Assembly, which usually passes it out without any change to the original text.

The document, a copy of which was seen here yesterday, reports continued human rights abuses, in particular summary and arbitrary execution, torture, forced labour and relocations, abuses of women and restriction of fundamental freedoms.

It welcomes the dialogue between Slorc and Aung San Suu Kyi, detained under house arrest since July 1989 without charge or trial, but calls for her and other political prisoners' immediate and unconditional release.

It expresses grave concern that Slorc has failed to "implement its commitments to take all necessary steps towards promoting democracy."

Lieutenant General Tin U Receives PRC Group*BK1512091494 Rangoon Radio Myanmar in Burmese 1330 GMT 14 Dec 94*

[FBIS Translated Text] Lieutenant General Tin U, army chief of staff and commander of No.1 Bureau of the Special Operations of the Ministry of Defense of the Union of Myanmar (Burma), received General (Hu Xiaoxing), director of the Foreign Affairs Bureau of the People's Liberation Army from the Ministry of Defense of the People's Republic of China; and his delegation, which is currently in Myanmar on a goodwill visit, at the Ministry of Defense's Dagon House at 1600 this evening.

Also present were Rear Admiral Tin Aye, navy chief of staff; Major General Tin Ngwe, air force chief of staff; Brigadier General Khin Maung Win; Brig. Gen. Win Hlaing; and Brig. Gen. Khin Nyunt from the Ministry of Defense; and Mrs. Chen Baoliu, PRC ambassador.

Karen Rebels Said Holding Negotiators Hostage*BK1512090794 Bangkok BANGKOK POST in English 15 Dec 94 p 6*

[FBIS Transcribed Text] Disgruntled guerrillas of the Karen National Union (KNU), Burma's largest remaining guerrilla army, have detained KNU envoys in a worsening mutiny, Karen sources said yesterday. About 300 mutineers have occupied a strategic hill at the confluence of the Salween and Moei rivers in south-eastern Burma since December 2, in defiance of the Christian-dominated leadership of the KNU.

"The situation is very tense and we are very concerned over the fate of our delegates," a source in the KNU leadership said by telephone. He said four groups of delegates had been sent to negotiate with mutiny leader Kyaw Than since fighting broke out on Sunday, but so far only KNU vice president Muang Muang had returned.

"We do not have any more information about the rest of our delegates. The Karen leaders are trying their best to settle the internal conflict," the source said.

Thai army officers based on the border, quoting Thai intelligence sources, said the mutineers had killed at least three delegates. They said seven guerrillas were wounded in fighting when the mutineers tried to cross the Salween towards KNU headquarters at Manerplaw located about 280 kilometres northeast of Rangoon on the Moei river.

The mutiny, rooted in differences between rank-and-file Buddhists and KNU's mainly Christian leaders, has forced the KNU to put on hold plans for peace talks with Burma's rulers.

KNU leader General Bo Mya announced at a news conference in Bangkok on December 7 that he planned to hold peace talks with the State Law and Order Restoration Council (SLORC), the ruling body of the Burmese military junta, through the mediation of a Japanese-Karen friendship association.

*** Divisions Among Border Karen Groups Viewed**

95SE0027A Bangkok SIAM RAT SAPDA WICHAN in Thai 6-12 Nov 94 pp 36-38

[Article and photography by Dusadi Panya]

[FBIS Translated Excerpt] [Passage omitted] The following are statements made by "Pho Luang," the village headman in "Sopmoei." He is a Karen who knows a lot about the matter concerning the abbot of Wat Sopmoei. Pho Luang's village is located along the Salween River on the Thai side of the border opposite the temple. There is a feeling of friendship and closeness here. Pho Luang told me that he is not actually a Karen refugee from the civil war in Burma. Rather, he was issued a Thai identification card because his ancestors have been living and working in Thailand for decades. However, he is still very interested in the changes that have affected the Karen refugees from Kawthulay state. I vividly remember him looking across the river and talking about the fate of his fellow Karens, who have suffered greatly in the 40-year civil war between Burma and the Karens. [passage omitted]

"Because he built a temple in that Karen village, many people have great faith in him. Many people want to become disciples of his. For those who want to become disciples of his, his condition is that they must live an honest life by following the precepts and fasting. That is the way for Karens to reach heaven. Also, he does not want young Karens joining the Kawthulay army. He has said that he does not agree with having most young Karens serve in the army. His reason for this is that the fighting and killing just serves to fan the flames of war even more. What he hopes for now is that Karens will focus on earning a living peacefully. He has promised the villagers that if any family is concerned that the support provided by the state will be cut if it refuses to send its sons to serve in the military, he will be glad to help them. The money used to support the Karen villagers will come from six foreign organizations," said Pho Luang. [passage omitted]

There are several reasons why Pho Luang, the village headman of Ban Sopmoei, expressed concern about this even though he is not a Karen refugee. Above all, this is because he is well aware of the fact that even though he has a Thai identification card, by birth and in spirit he is a Karen whose traditions, customs, and cultural roots are the same as those of the Karen refugees from Kawthulay state. Second, his home is located in an area that makes it easy for him to learn about what the abbot of Wat Sopmoei is doing. Finally, he is close to senior military officers of Kawthulay state and this has helped him in considering what the real situation is. Few Karen refugees have access to such information. Thus, it's no surprise that all that most Karens know about the abbot of Wat Sopmoei is his goodness, prestige, and divine powers. [passage omitted]

The headquarters of the Karen National Union, or KNU, is located at Manor Plow. The views and methods of the abbot of Wat Sopmoei concerning everything from the construction of the temple, the belief that fasting can help people get to heaven, and his encouraging young people to focus on earning a living without paying any attention to the ideals of national liberation are clearly at odds with the goals of the KNU, which wants to build a democracy in Burma. It wants to create a federation in order to liberate the Karens and free them from Burmese control. A report stated that at a KNU cabinet meeting, there was a heated discussion about this. The conclusion reached at that meeting was that the actions of the abbot of Wat Sopmoei could cause religious divisions concerning whether or not to fast among Buddhist Karens, who comprise the bulk of the Karen population. A senior KNU military officer said that if this happens in Kawthulay state, it would be difficult for the KNU to solve this problem by negotiating with the abbot of Wat Sopmoei. This is because most KNU leaders are Christians.

When I visited a friend along the Salween River at the end of the rainy season, I interviewed So Ba Tin, the prime minister of the Karen National Union, in the reception hall at Manor Plow. Because of his friendly and easygoing manner when we first met, I never thought that his first words would be: We think that the dictatorial Burmese military government, or SLORC, is behind everything having to do with the abbot of Wat Sopmoei!

"Based on what our intelligence units have learned, the financial support received by the abbot of Wat Sopmoei comes from a religious organization in Burma that is supported by SLORC. We are not sure if the abbot of Wat Sopmoei is aware of this. But he probably is, because SLORC once invited him for talks and praised him for his efforts, as a Karen religious leader, in fostering peace in Burma," said the Karen prime minister concerning a report that was received from an intelligence unit.

In the view of the KNU, even though the views and recent actions of the abbot of Wat Sopmoei have created

difficulties for the Kawthulay army, the KNU does not believe that he has evil intentions. So Ba Tin said that because the abbot is a villager and is politically naive, he has been ensnared by SLORC's religious and cultural offensive, which is aimed at achieving political results. He has become a tool of SLORC. The KNU has decided to solve this problem by disseminating more political information to the Karen people.

"At present, the KNU does not feel that the fears that religious divisions will arise among the Buddhist Karens or that fewer and fewer young people will volunteer to serve in the military are major problems. Because of the effort that we have made to disseminate information, the villagers now have a better understanding of the political situation. Moreover, the abbot of Wat Sopmoei has not helped the villagers as he promised. The problem that the KNU is facing as a result of the actions of this abbot is that the number of Karen villagers in Burma who help the Kawthulay army by serving as porters and so on has declined. They would rather work for the abbot as hired laborers in building the temple and stupa.

"But this does not mean that the capabilities of our army will decline. The KNU is sure that the Karen people are capable of deciding what their role as good citizens should be with respect to the nation and to religion," said So Ba Tin about the strength of the Kawthulay army. [passage omitted]

Cambodia

Australia Signs A\$92 Million Aid Package

BK1512090494 Phnom Penh CAMBODIA TIMES
in English 4-10 Dec 94 p 5

[FBIS Transcribed Text] Phnom Penh—The Australian Government has signed a A\$92 million aid package with this nation for the next four years. The aid is to be administered by the Australian International Development Assistance Bureau (AIDB), Australia's development cooperation programme.

AIDB has been providing technical assistance, training, equipment and materials to this nation through Australian consultancy and engineering firms, non-governmental organizations and international organizations. The signing ceremony was presided by Australian Ambassador Tony Kevin and Minister of Finance and Economy, Keat Chhon at the Ministry of Foreign Affairs, recently.

Also in attendance at the ceremony were representatives from the Council for the Development of Cambodia, Finance Ministry officials, and officials from other government departments.

Ambassador Kevin said: "The strongest weapon against the Khmer Rouge is economic aid and social development in this nation. This agreement signifies that Australia will continue to work actively in these areas with its people."

Kevin added that the need for military aid to this nation was also quite clear.

The aid will be aimed at improving the quality and discipline of the Royal Cambodian Armed Forces as well. The aid programme has no secret or hidden objectives. It will concentrate on four domains—health, education, agriculture and infrastructure," he added.

Meanwhile AFP has reported that Australia will not send lethal hardware to this nation and the doubling of military assistance proposed for disbursement here, would be in non-lethal assistance and other military needs.

Commentary Calls for Respect for Human Rights

BK1512071994 Phnom Penh National Radio of
Cambodia Network in Cambodian 1300 GMT
14 Dec 94

[Political commentary: "The Basis of Human Rights"]

[FBIS Translated Text] Over two decades ago, because of the civil war, Cambodia was accused of human rights violations. In particular, during the regime of the killing fields, Cambodia was condemned by the world as the leading violator of human rights.

Human rights have been increasingly respected again since the establishment of the legitimate Royal Government resulting from the UNTAC [UN Transitional Authority in Cambodia] general elections. The Cambodian Government has ratified two treaties and seven conventions dealing with human rights. This issue has been included in the supreme law, the Constitution, in Chapter 3, from articles 31 to 50. This is the official aspect. In practice, however, the Cambodian Government continues to be a victim and has been criticized by international organizations and various nongovernmental organizations of still being a violator of human rights.

During a recent visit to Cambodia, Michael Kirby, special representative of the UN Secretary General, concluded that respect for human rights in Cambodia has improved. However, he also pointed out the basis for the respect of human rights and said that there should be responsibility. This means that everyone should respect and abide by the law. The level of obedience to the law constitutes the level of democracy, as the law ensures everyone's freedom and rights. Democracy can be durable only when the law is respected and obeyed. Rights and freedom have to be linked to responsibility based on the law. In developed countries, law is used to maintain social stability, develop society, and be the basis for the respect of the freedom and rights of citizens. A society is stable and develops well or poorly in proportion to its level of conformity with the law.

The fact that each person does not respect and abide by the law will lead to anarchy. If that is the case, there will be no hope of respect for human rights. Furthermore,

this would even push society toward disaster. Thus, since everyone enjoys the same rights and freedom, equality before the law has to be taken into account to avoid the uncontrolled use of rights. Cambodia is a country where democracy has just taken root. It welcomes this by grandly celebrating international human rights day at the national sports complex. It is true that in Cambodia the Khmer Rouge are still waging war, killing local people and foreigners, and burning houses. Robbery and murder still occur. Full and immediate respect for human rights is required. This is a challenge our country has to face. The basic problem in the issue of respect for human rights is the drafting of adequate laws that can be implemented in the country. The Royal Government is compelled to implement the law and force everyone in the country to abide by it because the law is the basis of human rights.

Philippines

Senate Votes To Ratify GATT Agreement

Vote Ends 'Acrimonious' Debate

BK1412120294 Quezon City PTV-4 Television Network in English 1145 GMT 14 Dec 94

[FBIS Transcribed Text] The Philippine Senate today voted for the ratification of the Uruguay Round of GATT. Eighteen senators voted for GATT's ratification, five voted no, and there was no abstention. Senate President Edgardo Angara officially announced the results of the voting after a lengthy, acrimonious debate between the senators.

Ramos Welcomes Ratification

BK1512020094 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Dec 94

[FBIS Translated Text] At Malacanang [presidential office], though unable to conceal his satisfaction over the Senate's ratification of GATT, President Ramos reminded the nation that there is more to be done to improve the country's livelihood:

[Begin Ramos recording, in English] We will meet a new challenge for our country to further speed up the attainment of the industrial and agricultural vision that we have set for ourselves as a common and urgent goal. I urge all of those who took part in the deliberations on the GATT issues to unite and to implement the measures that will enable us to usher this new global order of trade and commerce. [end recording]

Visit of Thai Foreign Minister Reported

Discusses Regional Issues

BK1512072594 Bangkok BANGKOK POST in English 15 Dec 94 p 10

[Report by Woranan Krongbunying]

[FBIS Transcribed Text] Manila—Malaysia's proposal for an East Asian Economic Caucus (EAEC) has not created enough momentum to go ahead, Foreign Minister Thaksin Chinnawat said here yesterday. The Association of Southeast Asian Nations needs more discussions on the EAEC with other regional groups such as the European Union, he said.

"The momentum (for the EAEC) is not strong enough. ASEAN as an organisation is strong, but it will have to talk more with other groups like the EU," he said.

The Philippines is the third ASEAN state visited by Mr Thaksin since he became foreign minister early last month. He previously visited Malaysia and Brunei in late November. He is due to go to Cambodia and Laos next Wednesday.

Mr Thaksin held formal talks with Philippine Foreign Affairs Secretary Roberto Romulo last night and is due to pay a courtesy call on President Fidel Ramos today.

Mr Romulo, who was on hand to greet Mr Thaksin at the airport, said he welcomed Vietnam's application for full membership of ASEAN. He also said he looked forward to Hanoi's participation in the ASEAN summit due to take place in Bangkok at the end of next year.

Both Mr Romulo and Mr Thaksin expressed the belief that the widening of ASEAN's membership would bring forward the idea of establishing a community of 10 Southeast Asian nations (SEA 10).

Mr Thaksin said he would seek ways of stepping up cooperation between Thailand and the Philippines on such things as trade and investments.

"There are no serious problems between Thailand and the Philippines as we do not share a common border. The talks will mainly focus on an increase in cooperation in various fields," he said.

Thailand currently ranks as the fourth biggest foreign investor in the Philippines after the United States, Japan and Taiwan.

Mr Thaksin said Thailand would rank third if Thai companies won more won more bids for major infrastructure projects, citing Ital-Thai and Loxley as companies interested in road-building and telecommunications respectively.

The minister dodged questions about the Chinnawat group's interests in the Philippines.

Meets With Counterpart

BK1512083594 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Dec 94

[FBIS Translated Text] Foreign Minister Lieutenant Colonel Thaksin Chinnawat met with Philippine Foreign Minister Roberto Romulo in the Philippines today to discuss issues concerning ASEAN and the ASEAN Regional Forum, or ARF. Both agreed that the ASEAN

and ARF should not include too many members because it might be difficult to control their directions.

Thaksin said that he had asked the Philippines to implement a new tax system based mainly on the prices of exported goods, which would help reduce investment costs. The Philippines accepted it for consideration.

The foreign minister said that the Philippines wants the private sectors from other countries to invest in infrastructural projects at Subic Bay, which will be used as venue for an APEC [Asia Pacific Economic Cooperation] meeting in 1996. The projects include expanding a 84-km road to Subic Bay from four to eight lanes together with the construction of hotels. Regarding this, the Philippines Government is willing to render special support to investors. The projects also include the upgrading of the former U.S. military base into a commercial airport, which would further serve as the second main airport in the Philippines.

Thaksin went on to say that the Philippines would use Thailand's royally-initiated projects as guidelines for rural development in the Philippines.

Regarding a meeting of the Thai-Philippine joint commission to be held in Thailand, the Philippine foreign minister asked Thailand to also invite Philippine and Thai businessmen to attend.

'Suspected' MILF Rebels Kill Policemen

BK1512064394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 15 Dec 94

[FBIS Translated Text] Suspected MILF [Moro Islamic Liberation Front] rebels have killed three of the four policemen they abducted in Carmen, North Cotabato. The slain victims were identified as PO1 [expansion unknown] Pauya, PO1 Suyo, and PO1 Turana. Their companion, PO1 Aladdin Jaina, luckily escaped. The four abducted law officers were members of the Cotabato Regional Mobile Force assigned to guard the irrigation project under construction in Carmen Municipality.

Military Claims Communist Drive 'Failure'

BK1512084394 Manila BUSINESS WORLD in English 13 Dec 94 p 12

[Report by Sandra S. Aguinaldo]

[FBIS Transcribed Text] The Communist Party of the Philippines' (CPP) efforts to consolidate forces and make a stronghold out of Northern Luzon has been declared a failure by the Armed Forces of the Philippines (AFP).

In a report to AFP chief of staff Gen. Arturo Enrile, Nolcom [North Luzon Command] commanding general Major Gen. Edgardo Batenga said the CPP's Northern Luzon Commission tried but failed to revive the strength of communist rebels in the countryside.

The report listed the rebels' failures as:

- the non-realization of targeted organizational goals;
- the decline in the number of barangays [villages] controlled;
- serious problems in maintenance, support and training of personnel;
- poor implementation of programmed activities;
- failure to neutralize government intelligence networks;
- limited training for mass works; and
- lack of capable cadres and lack of unity among cadres, members, masses and the New People's Army (NPA).

However, Mr. Batenga said that despite the CPP's "shortcomings" for this year, the rebels continue efforts to establish strongholds in the Cordilleras, Cagayan Valley, Kalinga-Apayao, Isabela, Nueva Viscaya, and Quirino.

The said provinces were considered as "the newly emerging centers of gravity of the enemy."

"To address their shortcomings, the Northern Luzon Commission came out with programs and resolutions to be implemented by its lower political and army structures, all in consonance with a protracted armed struggle," Mr. Batenga said.

He said the CPP had initiated the organization and expansion of NPA units in Northern Luzon, enhancement of mass works to get the support of local communities, the conduct of political and tactical training, establishment of a people-based intelligence net and recruitment of new members.

However, Mr. Batenga said the CPP was not able to attain these goals due to the wider intelligence networking being done by the military and the capture of the rebels' main encampments and caches.

Because of these, the AFP is expecting the communists to retaliate by liquidating government informants within the CPP, as well as rebel returnees who have surrendered to the military.

In a related development, Mr. Enrile lauded the various AFP commands for "doing a good job" with regards to their counter-insurgency (COIN) tasks this year.

"We have fared very well in our COIN operations. We achieved our targets for this year and we have reduced further the strength of the CPP as well as the number of barangays in their control," Mr. Enrile said in a recent command conference at Camp Aguinaldo.

From around 8,360 communist rebels in 1993, the AFP claimed to have reduced the number, through combat and civil-military operations, to some 7,392 armed regulars.

This, the AFP chief said, translates to a 71 percent aggregate reduction from the CPP's peak membership of 26,000 in 1987.

Similarly, the number of insurgency-affected barangays dropped to 711 this year from 984 in 1993.

For next year, the AFP aims to lessen its combat role and participate more in the country's development programs.

"We want to play a more active role in development. The AFP should not only be for defense and security. We hope to do more of socioeconomic undertakings," Mr. Enrile said.

The military also aims to go full swing with its modernization program by 1996.

"There is a changing security landscape. We are hoping to enhance the external capabilities of the AFP now that we are in the post insurgency era," he said.

Leftist Leader Profiles New Sanlakas Group

*BK1512082394 Manila BUSINESS WORLD in English
13 Dec 94 p 12*

[Report by Wilfredo G. Reyes]

[FBIS Transcribed Text] The newly formed Sanlakas [Sandigan ng Kalayaan at Demokrasya ng Sambayanan—Foundation of Freedom and Democracy of the People] group represents an attempt by the broad Philippine left-wing movement to regain its relevance by addressing populist and development issues without categorically rejecting armed struggle as an alternative strategy.

Filemon Lagman, acknowledged chairman of the break-away Communist Party of the Philippines (CPP) Manila-Rizal Regional Committee (MRRC), told House reporters recently the new group represented an attempt to unite Philippine-based socialist and communist groups to the exclusion of Jose Maria Sison's hard-line, mainstream CPP.

"Ang Sanlakas ay isang reoriented na dating left organization na ngayon ay isang multi-sectoral coalition na nagsisikap na mag-breakaway doon sa dating pagkakastereotype sa mga leftist organizations (Sanlakas is a reoriented, former leftist organization that is now a multi-sectoral coalition seeking to break away from the stereotyped leftist organization)," Mr. Lagman said.

"Hindi ito purely political organization, dahil ang mas malaking bilang ng mga miembro nito ay nonpolitical organizations na nakatutuok sa mga welfare issues ng mga tao (It is not purely a political organization since a large part of its members are nonpolitical groups who press for welfare issues)," he added.

"Kahit problema sa basura, na dati ayaw harapin ng Left dahil ito ay 'reformism' daw, ay haharapin ng Sanlakas (even the garbage problem, which the Left refused to handle because of its reformist nature, will be tackled by Sanlakas)," he continued.

"Wala itong kinalaman sa question ng ideology, dahil may mga elements nito na hindi naman masasabing sympathetic to the communist movement (The movement has nothing to do with questions of ideology since many of its elements are not sympathetic to the communist movement)," Mr. Lagman said.

He said Sanlakas modelled itself after South African President Nelson Mandela's African National Congress and has adopted a multiform strategy that accords primacy to mass movement and parliamentary struggle over armed struggle without rejecting the third option.

One source said that the loose nature of the coalition means that while the more moderate members precluded armed struggle as an option, they could not pressure more militant counterparts from keeping their options open in this regard.

Thus, while the Sanlakas hierarchy includes such high profile personalities as Renato Constantino, Jr., Francis Pangilinan, and Pasig Councillor Sonny Rivera, its less known members have not disavowed the armed option should they deem this justified.

"Sa third form of struggle (besides mass movement and parliamentary struggle), kami na ang bahala diyan, doon sa iba pang form na hindi legal, hindi parliamentary, hindi mass movement, dahil hindi naman tayo mga naive na tao (We will take care nonlegal, non-parliamentary forms of struggle because we are not naive)," Mr. Lagman said.

"Kasama ang lahat na ito sa (All these are in the) equation because we intend to use all forms of struggle," he said, adding, "Bakit, iniwan ko ba (have I rejected these options?)" he continued.

Thailand

Cambodian Foreign Minister Continues Visit

Views Relations, ASEAN Membership

*BK1512090994 Bangkok BANGKOK POST in English
15 Dec 94 p 10*

[FBIS Transcribed Text] Cambodian Foreign Minister Ing Huot yesterday expressed satisfaction over recent developments in Thai-Cambodian relations, saying Bangkok has been cooperating well on the Khmer Rouge issue. Mr Huot said he hoped Thailand and Cambodia could establish good relations in all fields, especially tourism, development, and investment.

"Many Thai businessmen are still reluctant to go to Cambodia. We want them to come. Cambodia is open for investment," he said.

He refused to speak to the Press about bilateral problems and insisted on communicating with his counterpart through diplomatic channels.

Foreign minister Thaksin Chinnawat is due to pay a half-day official visit to Phnom Penh on December 21, during which Mr Huot is expected to call for better coordination and cooperation between neighbours.

Mr Huot praised the Chuan Likphai government for helping crack down on Khmer Rouge guerrillas who were outlawed by Phnom Penh a few months ago, citing a recent warning from Bangkok to its citizens not to deal with the Khmer Rouge.

Mr Huot said Phnom Penh had yet to draw up a list of Khmer Rouge leaders as requested by Bangkok. Khmer Rouge leadership was already well known, he said. He said new passports had been issued in Cambodia and specimens sent to the Thai Embassy in Phnom Penh two weeks ago, canceling the use of the passports issued by the now-defunct Coalition Government of Democratic Kampuchea, used by the Khmer Rouge.

Cambodian Ambassador to Thailand Eng Roland said the passports were made in Europe under an aid programme for Cambodia and were very sophisticated. There are three types—diplomatic, official and civilian.

Meanwhile, the Cambodian Cabinet yesterday began to debate technicalities of becoming a member of the Association of Southeast Asian Nations (ASEAN), Mr Huot said.

Mr Huot said he planned to visit Brunei early next year since Brunei currently serves as the chairman of the ASEAN Standing Committee.

He said Cambodia hoped to sign the Treaty of Amity and Cooperation in the near future to receive observer status in time for the forthcoming annual meeting of ASEAN foreign ministers in July.

"Friendship and cooperation," Mr Huot said when asked about Cambodia's expectations in joining ASEAN.

Speaks at Sea Law Conference

*BK1512092594 Bangkok BANGKOK POST in English
15 Dec 94 p 10*

[FBIS Transcribed Text] Thailand and Cambodia should not wait until a settlement is reached on their overlapping territorial claims in the Gulf of Thailand before starting joint development. Cambodian Foreign Minister Ing Huot said yesterday.

During a speech at an international conference on ocean laws being held in Bangkok this week, Mr Huot said Cambodia was ready to start talks immediately with Thailand for joint development of the overlapping claims and make it a model for bilateral or multilateral cooperation.

He said: "Cambodia recognizes that it may take some time to sort out the issues of overlapping areas in the

Gulf of Thailand, but firmly believes that this should not delay arrangements for the joint exploitation of the Gulf.

"If our neighbours were to agree, Cambodia is prepared to commence the earliest possible negotiations on joint development."

According to the PHANIT NAWI JOURNAL, Thailand and Cambodia last discussed sea boundaries in 1970, when talks broke down over the interpretation of a Franco-Siamese Treaty of 1907 which established them.

Mr Huot said pressure resulting from the recent discovery of hydrocarbon deposits in the Gulf and the need to rebuild Cambodia after 20 years of war, gave added urgency to joint development with Thailand and Vietnam.

He said the Gulf offered possibilities to Cambodia to access new resources for the reconstruction of the country.

Maritime boundaries between Cambodia and its neighbours have become a most pressing issue.

"This problem has become more urgent with the prospects of potentially huge commercial deposits of hydrocarbon in the area," he said.

Mr Huot said a national committee to deal with the issue was set up and is chaired by both prime ministers, and because there is a shortage of resources, Cambodia will cooperate with Thailand first and later on with Vietnam.

The committee has two subcommittees, one dealing with legal issues and the other technical issues. Cambodia will send a delegation to start talks with Thailand early next year.

During an interview with reporters at the conference yesterday Mr Huot stressed that the delegation will "come and discuss, not negotiate" in the spirit of mutual benefit and peace based on the spirit of the Bali Treaty of the Association of Southeast Asian Nations.

"Cambodia intends to resolve the problem peacefully and we hope it will become a tradition between the two countries for many years to come," he said.

The delegation will approach the issue from a wider perspective than just commercial joint development, including a need for a mutual agreement on environmental protection, security, and harmonized laws and standards on taxation, customs, immigration and relevant criminal law he said.

"It is not only for the benefit of Thailand and Cambodia, but the whole world has voted for the law (of the sea convention)," he said.

Mr Huot said he is hoping that Thailand and Cambodia can come up with joint cooperation along the lines that Thailand has with Malaysia, and that both countries would not take as much time to agree.

"We have to work faster," he said.

Army Officer on Fighting Among Burma Rebel Groups

*BK1512095094 Bangkok BANGKOK POST in English
15 Dec 94 p 2*

[FBIS Transcribed Text] Fighting between Karen-rival groups had died down enough not to affect Thailand, Deputy Third Army Region commander Maj-Gen Saimit Kanlayanamit said yesterday.

High ranking army officers from the Third Army Region yesterday inspected Thai-Burma border areas at Ban Huai Pluang in Muang District and Ban Huai Tonnun in Khun Yuam district, which are major passes into Burma. The inspection follows reports of fighting between two Karen religious rivals in Burma opposite Ban Sop Moei in Sop Moei district since Sunday.

Maj-Gen Saimit said fighting was only a minor issue and would definitely not affect Thailand.

"If the fighting turns violent, more Karen civilians will flee into Thailand, which will become a problem for Thailand," he said. He said the Third Army has ordered rangers, border patrol police and defence volunteers to beef up patrols to prevent the Karen people from crossing the border to seek refuge.

A source said Karen rivals stopped fighting after Karen leader Gen Bo Mya ordered high-ranking Karen officers to lay down their arms and return a Buddhist monk arrested by Christian-dominated officers.

Group of 209 Refugees Returns to Laos

*BK1512090894 Bangkok BANGKOK POST in English
15 Dec 94 p 10*

[FBIS Transcribed Text] Another group of 207 Hmong and two lowland Laotian refugees have returned to Laos bringing to 5,052 the number of Laotians who have gone home this year.

"This represents the highest number of returnees ever in one year and shows a positive momentum and the return to normalcy," said a statement released by the United Nations High Commissioner for Refugees' Bangkok office yesterday.

"Recent criticisms and alleged harassments in Laos have proved to be unjustified."

The UNHCR assists the return of Laotians under a tripartite agreement reached in 1991 with the governments of Laos and Thailand.

Supreme Commander on Solving Coalition Crisis

BK1512042194 Bangkok Radio Thailand Network in Thai 0000 GMT 15 Dec 94

[FBIS Translated Text] Upon returning from Australia yesterday evening, General Watthanachai Wutthisiri,

supreme commander of the Thai Armed Forces, remarked on the prime minister's efforts to solve the current political problems. He said that he had been concerned about political developments, but for the time being the situation has improved. He said he is glad the prime minister has successfully solved the problem. The military accepts every government, he said. Problems in the government are not unusual when it is a coalition government, he concluded.

Phalang Tham Party 'Rebels' Reject New Coalition

BK1512043694 Bangkok Radio Thailand Network in English 0000 GMT 15 Dec 94

[FBIS Transcribed Text] A group of Phalang Tham Party MP's has issued a statement calling on the party Executive Committee to review its participation in the coalition government. The group comprising 23 MP's who are regarded as party rebels. [sentence as heard] Several of them were former cabinet members who were relieved of their duties when the party decided to replace them by MP's and non-MP's of the party.

Member of the group Udomsin Sisaengngam says the current political situation with the inclusion of the Chat Phatthana Party into the coalition has caused confusion among the general public. He says the formation of the new coalition disgruntled a large number of people. It shows that politicians ignore ethics under the democratic system. Mr Udomsin, who was former deputy public health minister, says the group of 23 Phalang Tham MP's cannot accept the decision on the formation of the new coalition. He also threatens not to support the government if his party does not consider withdrawing from the coalition.

Vietnam

Article Reviews 1994 Relations With U.S.

BK1512063094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Dec 94

[Article by Nguyen Viet Thao: "Vietnam-U.S. Relations in 1994"]

[FBIS Translated Text] With a foreign policy of openness and friendship toward all countries in the world, Vietnam has step by step overcome the state of being encircled and isolated, thereby creating a favorable international environment for its renovation undertaking.

During the past years, Vietnam has actively and effectively striven to resolve various complicated issues with its strategic partners left over from the past. The achievements in this area have significantly contributed to the fundamental change in Vietnam's international relations.

Vietnam-U.S. relations in 1994 have drawn wide, far-reaching attention from the world community and the

peoples of the two nations. The efforts by the Vietnamese and U.S. sides have resulted in the lifting of the 19-year old U.S. embargo against Vietnam, which was declared by President Clinton on 3 February 1994. This action by the U.S. Administration has received a warm welcome from Vietnam and countries the world over, thereby opening up a new stage in Vietnam-U.S. relations—the stage of continued efforts in resolving the remaining issues, positively seeking and promoting cooperation, and accelerating preparations for the normalization of relations between the two countries.

During the past ten months, the Vietnamese and U.S. sides have seized all opportunities and spared no efforts to promote bilateral political, economic, and cultural activities, thereby creating a healthy atmosphere for Vietnam-U.S. relations. On 28 April, the U.S. Senate issued a resolution recognizing Vietnam's efforts in cooperating with the United States to resolve the MIA issue. The U.S. Senate, with its majority votes, supported President Clinton's decision to lift the embargo on Vietnam. With a total of 58,000 U.S. troops killed in Vietnam and more than one million war invalids, the MIA issue has become the most sensitive issue in Vietnam-U.S. relations. For this reason, the two administrations have made great efforts to resolve it. The 17-member delegation of the Vietnam War Veterans of America Association led by its chairman, James Brazee, paid a working visit to Vietnam from 16 to 24 May. The delegation held meetings with the Vietnam-U.S. Association, the Ministry of National Defense's Policy Department, and the Vietnam War Veterans Association. It also visited Thua Thien-Hue, Quang Nam-Danang, Tay Ninh Provinces, and Ho Chi Minh City. Meanwhile, Tran Van Quang, chairman of the Vietnam War Veterans Association, visited the United States from late May to early June. In early July, President Clinton assigned a U.S. high-level delegation led by Hershel Gober, deputy secretary of state for veterans affairs, to Vietnam. Accompanying the delegation were Winston Lord, assistant to the secretary of state, and James Wolf, deputy assistant to the secretary of defense. The delegation was received by General Secretary Do Muoi. Both sides appraised the efforts to resolve the MIA issue as satisfactory, mapped out measures to overcome the consequences of Agent Orange, and agreed on the exchange of liaison offices. On 5 October, President Clinton sent a letter to the U.S. Congress affirming that the latest number of GI's believed still alive in Vietnam had been reduced from 73 to 55. This assertion was made on the basis of the report by former admiral Elmo Zumwalt and Peter Tomsen, assistant to the U.S. secretary of state, during their visit to Vietnam in mid-September.

On the Vietnamese side, Foreign Minister Nguyen Manh Cam met with U.S. Secretary of State Christopher first in Singapore in July and then later in the United States. Minister Nguyen Manh Cam also held talks with many U.S. Senators, businessmen, intellectuals, and strategic

planners in the United States. The two ministers unanimously asserted their determination to accelerate the process of normalizing relations and discussed measures to establish liaison offices in their respective countries in the near future.

Prior to President Clinton's announcement on the lifting of the U.S. embargo, Vietnam had attracted 880 projects with a total foreign investment capital of \$7-8 billion. U.S. business circles should not wait any longer for the chance to enter the Vietnamese markets. Economic forces were the important factor that influenced the lifting of the U.S. embargo. They have also helped accelerate Vietnam-U.S. economic and trade relations during the past 10 months.

The Mobil Company and the (Japex, Inpet, and Nishowai) companies of Japan have quickly been allocated Lot 05-1B off Vietnam's coast for oil exploitation. The Motorola Company has started investing in Vietnam's telecommunication industry. In addition, the Chrysler Automobile Manufacturing Group sent a delegation of representatives led by Mr. Robert Eaton, chairman of the management board and executive director, to visit Vietnam; they were received by Prime Minister Vo Van Kiet on 18 October.

In the first eight months of 1994 alone, trade turnover between Vietnam and the United States amounted to \$100 million in comparison with a mere \$3 million for the whole of 1993. U.S. investment in Vietnam has grown from zero to \$185 million.

In 1994, many economic seminars were held. During 19-20 May, 250 representatives of American and foreign companies which have offices in the United States held a seminar in Washington on investment and trade in Vietnam. Deputy Prime Minister Tran Duc Luong led a Vietnamese delegation to attend this seminar.

In early June, at the fifth national conference of America's Nongovernment Organizations Forum on Vietnam, Laos, and Cambodia, discussions focused on issues related to changing the role and policies of the United States towards Indochina. Many of the 350 delegates urged the U.S. Administration to grant the most favored nation status to these three countries.

Late in September in San Francisco, the first exhibition of Vietnam's export products was held jointly by the Vietnam Chamber of Industry and Commerce and the San Francisco Commerce Office. In the three days of the exhibition, almost 4,000 people visited 60 stalls located on a 3,000-square-meter area of the (Fox Marshall) Exhibition Center.

Later on 1 October, Vietnamese and American businessmen for the first time exchanged views on cooperation and joint ventures in a Vietnam-U.S. economic seminar. At about the same time, the chairman of the Vietnam Chamber of Industry and Commerce attended the Asia Pacific trade seminar organized in Seattle

together with about 1,000 representatives from 156 companies. Mike Lowry, governor of the State of Washington, had a meeting with the representatives of Vietnam.

Last November in Hanoi, Vietnam's State Bank and an American bank jointly held a seminar on business operations to discuss procedural steps for liquidation between the two sides. To date, the Vietnam Chamber of Industry and Commerce has established cooperative relations with the American Business Association and the National Federation of American Manufacturers, organizations that generate 85 percent of the U.S.' gross domestic product. Through this network of partners, the exchange of products, capital, and business and trade services between the two countries will be conducted more favorably.

Having witnessed these active preparations in both the political and trade domains, the public is waiting to see Vietnam and the United States quickly establish diplomatic relations at consulate level. Whatever happens, 1994 has proved the most significant year in the last several decades in terms of Vietnam-U.S. relations. The past achievements should be highly regarded and further developed by both sides so that there can be an early normalization of relations between the two countries, a move which the peoples of Vietnam and the United States as well as the international community are expecting to witness in the near future.

*** Nguyen Manh Cam Interviewed on Europe Tour**
952E0028 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 31 Oct 94 pp 1, 3

[Interview with Foreign Minister Nguyen Manh Cam by Van Oanh on 30 October 1994, at Hanoi airport: "Foreign Minister Nguyen Manh Cam: 'Vietnam Will Play an Increasingly Greater Role in the World Community'"]

[Text] At noon on 30 October, Foreign Minister Nguyen Manh Cam, who had led our country's delegation attending the 49th session of the UN General Assembly (UNGA) in New York, having contacts with various circles in the United States, and officially visiting Spain, Switzerland, Belgium, the European Union (EU), and Luxembourg, arrived back in Hanoi.

At the Noi Bai International Airport, he met with a number of reporters who had come to greet the delegation. He answered many questions asked by SAIGON GIAI PHONG.

[Oanh] Can you tell us whether there was anything new and outstanding in the 49th UNGA session compared to the previous sessions?

[Cam] The UNGA opened its session on 20 September and continues to meet until December. However, the part of the session in which there were general discussions and the participation of chief delegates (including presidents, prime ministers, and foreign ministers) was

over around mid-October. Something new in this session was the fact that the delegations exchanged their views about development, stressed the issue of development, and linked the development of countries with the UN role. They wished that the UN play an active role in supporting the development of countries, large or small, poorly or highly developed. The issue of development was hotly debated. Naturally, UNGA this time could not arrive at any decision right away, but the issue has been raised and will become an outstanding one in the time to come. It will continue to exchange views in order to arrive at more detailed and inclusive decisions and plans so as to allow the UN to play its role better in the field of development.

[Oanh] During the time you attended the UNGA session, you also had contacts with American officials, businessmen, scholars, and strategic research organizations. How much interest do Americans have in Vietnam and in the relations between Vietnam and the United States?

[Cam] Members of the U.S. Congress and the American business community are very interested in Vietnam's gains in our renovation and foreign policy activities. More particularly, they wish to push forward the Vietnam-U.S. relations at a faster pace. Mostly the American business community. They wish that the most-favored-nation status be granted to Vietnam soon so as to create favorable conditions for expanding the relations. Or in the case the most favored nation status is not yet granted, they wish that the U.S. Government adopt favorable policies to allow them to broaden the exchange of goods with Vietnam and to guarantee the capital invested in Vietnam. Naturally, these favorable conditions will also allow our goods to enter the United States more easily. The American business community, which has seen Vietnam's potential and the fact that very many companies from other countries already entered Vietnam, wants to enter Vietnam as quickly and as soon as possible. The U.S. Government agencies are promising to consider this issue. In the meantime, the business organizations, mostly the large groups, would like very much to hear soon from the U.S. Government and, as they wait, wish to continue sending delegations to Vietnam.

Members of the U.S. Congress think that it is necessary to develop and expand relations with Vietnam and that the two sides need to coordinate their work so as to create a better mutual understanding and to make the other side know the situation and potential regarding the development of cooperative relations. It is desirable to increase the exchange of economic and commercial delegations, and also parliamentary delegations.

[Oanh] A humanitarian issue that for several years we have been trying to resolve is the so-called MIA issue. In your contacts, how did the American side evaluate our work in this issue?

[Cam] They have found that Vietnam did its very best and mostly that we have recently offered unilateral

initiatives that could be of great help for the search. President Clinton has recently sent to the U.S. Congress a letter to point out that our cooperation in the MIA issue brought about good results. On the American side, mostly the members of Congress, they wish that we will continue to cooperate more.

In addition, we also asked the American side to respond to the results of Vietnam's cooperation, which everybody had recognized, by taking the responsibility for supporting and coordinating with Vietnam in the search for the Vietnamese missing in the war and in regard to a series of humanitarian issues arising from the war, such as the wounded soldiers, sick soldiers, orphans, and so on. The American side has made a step, but we asked them to show greater coordination and support.

[Oanh] You had a meeting with U.S. Secretary of State W. Christopher. Please give us some details about this meeting.

[Cam] I and the American secretary of state reviewed the recent situation and estimated that there has been progress in the relations between the two countries and agreed that the two sides would try to do more. The two sides also found that the normalization of relations is a process that both must try to achieve, to arrive at a complete normalization of relations. The issues that we raised were accepted by the American side, which promised to consider them and to have appropriate responses. The American side thought that the Vietnam-U.S. relations are being developed and must certainly be developed and that they are necessary in the context of the present international situation.

[Oanh] Can you give us some more information about the opening of the two countries' liaison offices and the time frame for this opening?

[Cam] I and Secretary of State Christopher also mentioned the efforts to have an early opening of the liaison offices. There now remain only a few technical matters, such as decoration and work equipment. I strongly believe that the liaison offices will open soon, before the end of this year. We think that the opening of these offices is an important stage and serves as a place to resolve many issues between the two countries.

[Oanh] You also visited Spain, Switzerland, Belgium, and Luxembourg. Please give us more details about these visits and their results.

[Cam] The countries that we visited all wanted to develop their relations with Vietnam and welcomed our delegation. In addition to meeting with government officials, we also contacted the business communities and found that they were very interested in the Vietnamese market and expressed the desire to increase the exchange of business delegations and their investment in Vietnam. A noteworthy fact was that two of the four countries that I visited—namely, Spain and Luxembourg—had not yet been visited by any of our governmental delegations in the past. Spain is a country that is

being developed quite quickly and has an area of over 500,000 square kilometers and a population of nearly 40 million. Luxembourg is a small country but has very great potential, very high per capita income, a very high level of development, and many strengths that help it to cooperate with us. The Spanish officials know Vietnam quite well, study us, and know that we are making many achievements in our renovation, and wish to better their relations with Vietnam. As we met with Spain's prime minister and foreign minister, we found that they had a real interest in developing their relations with us.

[Oanh] You also visited the EU. Please tell us about the progress made in the preparations for the frame agreement on economic and commercial cooperation between our country and the EU, and a few words about the relations between the two sides.

[Cam] We and the EU had signed an agreement on textiles, which was implemented quite successfully over the last two years, with the quantities and values of the goods involved tripled compared to 1991.

At present, the two sides are speeding up the preparations for signing a frame agreement on economic and commercial cooperation. This is an important agreement which will open a new stage in the cooperation between our country and the EU. The EU countries would like very much to sign it. We are also ready. Almost all issues in the agreement have been agreed upon; there remains only a minor one, on which the two sides are continuing to exchange views. I hope that within a short time this exchange will be completed and the agreement could be signed by the end of this year. Let me mention here that last July the EU adopted a new policy for Asia, in which it put Vietnam among the countries that would enjoy first priority in terms of developing its cooperative relations with. In fact, we have had generally good relations with each and every country; for countries like Spain which we have just had relations with, the prospects are very good.

[Oanh] And so you have just completed a long trip in which you visited many countries, met with people from many circles, and worked with many individuals. How does the international community recognize our country's position in the world today?

[Cam] We have found that a very obvious fact is our prestige in the international arena is clearly mentioned. Not only through statements; everybody made the same statement. But in their attitude expressed in their meeting and discussing with us, they think that Vietnam has a very important position, a very important role, not only in the region but more and more in the world. They think that a nation like ours—one that has had a heroic fighting past, has a population of over 72 million people, is full of potential, and has the determination to escape poverty and backwardness and to achieve national industrialization and modernization—will occupy a more and more prominent position in the international community.

[Oanh] Thank you.

Radio Reviews Economic Activities in 1994

*BK1512134294 Hanoi Voice of Vietnam in English
1000 GMT 15 Dec 94*

[From the "Vietnam Economy" feature]

[FBIS Transcribed Text] The economic growth rate of 8.5 percent in 1994 was necessary for Vietnam to achieve its target of doubling its economic growth rate by the year 2000. It is a common belief shared by many Vietnamese and foreign economists. According to a report delivered by Prime Minister Vo Van Kiet at the sixth session of the National Assembly, Vietnam in 1995 expects to obtain 3.6 billion dollars from export and 4.2 billion dollars of import value and an inflation rate of about 10 percent. In the last two months of this year, price indicators increased 12 percent as compared to the same period in late 1993. Mr. Ho Te, minister of finance said:

[Ho Te in Vietnamese fading into English report] By now, goods and services prices have been higher than that in 1993 and the price increases in 1994 cannot be limited to a one-digit figure, especially food and some other commodities such as school papers. The rates are stable and inflation can still be controlled. However, there is also a belief that the 1994 price increase is not the same as inflation in previous years. You may all know that in 1994, Vietnam was hit by a number of natural calamities which drove over one million people into homelessness and caused severe damage to crops. Despite this fact, the socioeconomic situation remains stable.

Commenting on this situation, Mr. Ho Te said: [Ho Te in Vietnamese fading into English report] In 1994, domestic output increased from 8.5 to 9 percent. It has been the fourth year in which Vietnam has obtained a relatively high economic growth. Developments in 1994 prove to Vietnam's capacity to increase domestic output even higher than the target set for the period 1991 to 1996. Nineteen ninety-four also witnessed the development of agricultural production with an estimate of 26 million tonnes, a record figure so far. This is of great significance ensuring an adequate food supply and reflects the rearrangement of crop structure and husbandry in a most efficient way. Industrial production in 1994 also increased by 13.5 percent resulting from investment in more major branches than the previous years, such as oil and gas, energy, and cement industries and also from changes in the methods of management. Services in 1994 also increased by 10.2 percent as compared to last year. With the achievements of 1994, it is expected that with bigger investment and improved management, Vietnam's economic growth will be of nine to 10 percent in the coming years.

Court Upholds Policeman's Death Sentence

*BK1512064794 Hanoi Voice of Vietnam Network in
Vietnamese 0500 GMT 15 Dec 94*

[FBIS Translated Text] The Supreme People's Court heard an appeal in the murder charge against Traffic Policeman Nguyen Tung Duong in Hanoi on 13-15 December. Nguyen Tung Duong's case was tried by the Hanoi Criminal Court on 19-21 April. Applying Paragraph One of Article 101 of the Penal Code, the Hanoi Criminal Court sentenced Nguyen Tung Duong to death on the murder charge. At the appeal hearing, after examining statements from the accused, relatives of the victim, and witnesses, the Supreme People's Court rejected Nguyen Tung Duong's appeal and sentenced him to death on murder and robbery charges. People in Hanoi and other localities have voiced their support for the strict sentence of the Supreme People's Court.

*** Congress on Party Renovation Reviewed**

*952E0017A Hanoi NHAN DAN in Vietnamese 24 Oct
94 pp 1, 3*

[Article by Duc Luong, Hai Duong, and Pham Van Khanh: "The Highest Goal: Training Talented People for the Nation (Review of the Conference to Recapitulate Two Years of Renovating and Rectifying the Party in Colleges and Advanced Schools in the Hanoi Area)"]

[Text] The conference was one in which many heart-felt opinions were expressed by professors, Ph.D.s, teachers, and scientists doing party work. One comrade who had just returned from a conference abroad was effusive. A comrade who was in charge of a major scientific project was very busy but was still able to set aside two days to "listen and inquire." One comrade had served as a party committee secretary for many terms and another person was a "new recruit." But all were enthusiastic and contributed many intelligent, frank, and sincere opinions.

The Factors That Creates the Schools' Strength

The thing that impressed us most deeply when we went to study some schools, and when we listened to the report recapitulating two years of implementing the resolution of the third party Central Committee plenum and Program 14 of the municipal party committee regarding renovating and rectifying the party in the colleges and advanced schools in Hanoi that was read by Comrade Le Xuan Tung, and the opinions expressed in the assembly hall, was that in implementing party renovation and rectification the leading role of the schools' party organization has been affirmed and gradually strengthened. That is the factor that creates the schools' strength. The comrades representing the party committees and boards of directors of Normal College No. 1, Agricultural College No. 1, the Commercial College, and the Medical College agreed that the party organizations of those schools, especially the party committees, have played a leading role with regard to the specialized

responsibilities, and in strengthening the work of building the party and leading the masses. Recall the vicissitudes during the past 10 years. That was a rather long period in which the leadership decided everything. It was democratic, but lacked centralization, which resulted in people in many places transforming democracy into a curtain to hide the individual schemes of a small number of people. It was a brief period, and because of the method of electing the school heads the activities of the party organizations in the schools became formalistic. Practically all policies and rules were determined by the school heads and the boards of directors. The loss of solidarity was quite serious in a number of schools. A new period began two years ago. Party renovation and rectification is not a panacea, but its strengths clearly lie in practicality and readjustment. The party organizations and the party committees regained their positions after there was a mechanism for ensuring maximum democracy and centralism.

Comrade Nguyen Mau Binh, chairman of the trade union of the education sector said, "The party's affirmation of its leadership role vis-a-vis the schools' political mission and the mass organizations was not a matter of the party elevating itself but was an inevitability. In a socialist-oriented market economy, training cannot be allowed to drift, but must be closely led and guided. Of course, leadership of specialized work is not imposed. In some party organizations the leadership role declined not only because of consciousness but also because of confusion regarding leadership methods. When a trade union member demanded his rights, the trade union deferred to the party secretary and the party secretary deferred to the school head. That confused situation not only influenced the party building work but directly affected the training and school development tasks."

Comrade Nguyen Van Dinh, secretary of the party committee of the Transportation College, said, "There must be a corps of party committee members equal to their work. It is necessary to select party committee secretaries who are capable and have prestige, and avoid the situation of 'party members replacing one another on the party committee and party committee members taking turns serving as the secretary.'"

At the Medical College, party committee chairman Le Van Khang confided about the nature of teachers and doctors. He said, "Teachers and doctors both need ability, virtue, standards, and a rich humanitarianism. If the party is to affirm its leadership role it must carry out specific actions, and especially it must be concerned with training teachers who are truly teachers and pupils who are truly future leaders. The evaluation of the leadership role may be capsulized by the following formula: "A good teacher plus good pupils equals good educational quality."

Many delegates said the reason why the situation in the colleges during the past two years has been rather stable has been due to concern for perfecting the ranks of the party committee members and the leadership cadres.

The Personal Qualities of Students—a Matter Worthy of Concern

At the conference, many heart-felt opinions were expressed by teachers who drew attention to the necessity of being concerned with improving the students' personal qualities. The head of the Cultural College and the secretaries of Agricultural College No. 1 and the Construction College stressed that "The time has come to sound the alarm about the quality of training, which the Party fears is a manifestation of 'poorly balanced people.' A student can study well, be fluent in foreign languages, and know how to use a computer, but be very reluctant to undergo steeling and participate in social activities, and even violate discipline. Therefore, when he graduates what can he do for our society?"

Professor Khai Vinh said, "It seems that there are many students who do not have the habit of greeting their teachers. An unpleasant truth is that some dormitories are called 'big kindergartens.' There should be no gambling, drug addiction, or thievery among students. Unfortunately, that is not the case! Whose fault is it? How should we go about correcting that situation? Let's say it frankly: it is a responsibility of all party organizations."

Many delegates stressed that the situation of laxity and fear of improvement and steeling are not entirely the fault of the students. Is it true that the schools only stress specialized training and do not pay attention to teaching virtue, personal ethics, ideals, and a philosophy of life? Is it not the case that as the state opens the door and the economy changes over to a market mechanism, even the echelons providing macro strategic guidance have not truly been concerned with political standards in evaluating students, and one-sidedly stress degrees, grades, and specialized subjects? Who creates for students the idea that when they leave the schools they only need the baggage of specialized knowledge, fluent English, and knowledge of many computer programs? It must be admitted that that would be very welcome and very necessary, but it is insufficient.

Very fortunately, that situation does not exist in all schools. Bui Thi Doan, secretary of the party committee of the Central Kindergarten-Nursery School Advanced School No. 1 said, "In order to create belief in the regime and in socialist ideals, it is first of all necessary to create belief in the school. Our school pays attention to teaching virtue and beliefs to the students. Later, when they begin their careers, they will be mirrors into which the fire of youth will shine. Of course, their teaching cannot be 'crammed.' Efforts must be made to find appropriate forms and measures. When the students leave the school, we pay attention to making observations about their virtue, ability, and inclination to participate in activities of the mass organizations. It is important to be technically skilled, but that is not everything."

We met some delegates during a break and asked them about their thoughts about the present educational environment and what recommendations they would make so that the schools can train students who are both "red" and "expert" under the conditions of a market economy. The people who were asked agreed that it is necessary to clearly understand the present circumstances of the students and the objective influences. We must reexamine the mechanism for selecting students, the mechanism for sending cadres to take advanced training abroad, and the mechanism for selecting people for jobs. We must select people who have political quality, virtue, talent, and ability to lead and manage. The colleges must not only train people to do purely specialized work but must also be places that train cadres for the people, people who are truly masters of the nation.

Along with the members of the Central Organization Department, members of the Hanoi Municipal Party Committee went to the Medical College, Normal College No. 1, Agricultural College No. 1, and the Commercial College to listen to the school heads, the party committee secretaries, and Youth Union chapters of the schools, and meet with students. We noted that a few years ago the situation in the schools was "better," "more peaceful," and "more developed," and the material lives and morale of the teachers and students were "on the upswing." There was also an opinion that, on first hearing, appeared to amount to nothing but was, sadly, worthy of serious thought: the Marxist-Leninist political theory courses have been cut back significantly, from 150 class-hours to 100, then to 70, because of the introduction of many new subjects. Who is responsible? Is it because of pressure or because the "new thought" of the market has gained control? In this regard, Comrade Tran Hong Quan, minister of education and training, said, "It is necessary to point out something that is never prosaic. The schools not only teach academic subjects, but also teach people. Only if there is a good educational environment is it possible to train people who have a high level of education, have personal virtue, and have socialist ideals."

Many delegates frankly pointed out painful things in training at present. That is the situation of the quality of study by students in many schools has declined. The situation of "studying for one another and taking tests for one another" and "bribing people for grades" are manifestations of the decline of quality in education and harm the prestige of both teachers and students. How many engineers and bachelors who graduate do not have jobs, will not accept jobs in difficult, arduous places, and cannot do their work? We must make careful calculations in order to rationally adjust the number of students trained in each field.

While participating in the conference of party organizations of the colleges and advanced schools in Hanoi, Prof. Vo Hung, party committee secretary and head of the Hue Agricultural College, said, "We must show concern for all three aspects: the quality of training of

students, the retraining of engineers who graduated many years ago, and the training of professors and young Ph.D.'s to serve as instructional cadres. In order to accomplish that, the party's task is very great. It is essential to distinguish clearly between what the party organization must do and what the government must do.

The "Door" Has Opened, Many More Students Join the Party

Comrade Le Xuan Tung, deputy secretary of the Hanoi municipal party committee, when recapitulating the opinions of the delegates, brought up the point that during the recent period the party organizations have paid attention to the party development work among students. In the future more attention will have to be paid to that work. In order to select outstanding members of the masses, it is necessary to combine good moral quality with positive participation in social activities.

It is true that in recent years many very good students have been reluctant to participate in the movements in the schools. When considering admission into the party, the party chapters have been very displeased with the students. Comrade No Tri Vieng, secretary of the party committee of the Water Conservancy College, observed that "During the 1992-1993 two-year period the school admitted 27 students as party members. During the first nine months of 1994, 12 students were admitted as party members. The door is always open for membership by talented people. I believe that to bring many students into the party four conditions must be met: cultivation in order to raise consciousness; the good organization of Youth Union activities; many activities that attract youths; and party chapters that always regard the party development work as a permanent and urgent task."

Let's have a look at the "input" in developing the party at the Construction College. Comrade Nguyen Tan Quy, secretary of the party committee, said, "At the school, eight of the 41 department heads are not party members. In the future, the party organization will concentrate on preparing those cadres for admission. The party organization also pays much attention to admitting young students into the party. However, there are difficulties. About one-third of the students at the school are not Youth Union members. Therefore, it is necessary to give priority to the Youth Union work, but no student wants to do that work. They say, 'If I do Youth Union work I can't study, and without good grades I will have difficulty graduating.' Thus our difficulty is to harmoniously resolve the relationships and be concerned with the material benefits and morale of cadres, teachers, and students."

Many leadership comrades at the school have complained that students are indifferent toward politics and do not want to enter the party. Is that the truth? We spoke with a group of students at a college without making arrangements in advance:

"I hear you didn't apply to join the Youth Union after entering the college."

"Is that so? No one mentioned that. We don't know to whom we should apply."

"Why did none of you register to attend a Youth Union class about the party?"

"My goodness! That is not true! We want to join the party. Most of our parents are party members. Some of our parents were heroes. Since we enrolled at the school we've heard little talk about the party. It's been two months since we enrolled but we do not know who the school's Youth Union secretary is and have heard nothing from the Youth Union."

We should not hastily blame the students. Commander Dinh Thien Dao (of the National Economics College), Phan Xuan Van (of Agricultural College No. 1), and Nguyen Thien Giap (of the University) agreed that youths reflect their society. Let's pose the question: are youths not yet in step with the nation's tendency of upward advance, or are the leadership and organizational methods not yet appropriate for youths? Only when the party committee echelons truly believe in youths and create conditions for them to do their work independently and creatively can the youth movement have vitality. At that time, there will be rich sources for developing the party. It is necessary to create for youths and students consciousness of steeling themselves and striving politically and with regard to their virtue, in addition to having specialized knowledge, not only while attending the school but also when starting a career and through their work life.

Great Responsibility and Honor

Manifesting profound concern for intellectuals in general and the party building work in the colleges generally, General Secretary Do Muoi set aside time to attend the two-day conference.

Addressing the conference, General Secretary Do Muoi emphasized, "The colleges are places that train talented people for the nation and contribute importantly to industrialization, modernization, and enabling our country to escape from poverty and backwardness and to advance to becoming rich and civilized. That is a great responsibility and honor of the colleges. Our party affirms that the greatest resource of the nation is its people. In all eras intellectuals are needed, and the present era also needs many intellectuals. As places that directly train intellectuals for the revolution on a large scale, the colleges must continue to renovate the methods and goals of instruction and study, and combine training with effective utilization."

He pointed out that the Ministry of Education and training must have a plan to work with the State Planning Commission, the Government, the sectors, and the localities in forecasting the number of people who must be trained by the year 2000 and deciding how the graduating students will be used, in a way that balances supply and demand and avoids waste and inefficiency. At present, tens of thousands of students have graduated but are unemployed. Graduating doctors are unwilling to go to distant places, at a time when each village needs one or two doctors. If there is a correct mechanism and policy and people are trained for specific places, waste could be avoided.

The general secretary was enthusiastic about the concern of the Hanoi Municipal Party Committee and the colleges toward the task of party development among the students. The colleges are places with conditions for developing new party members among young intellectuals. With regard to the students, all conditions should be created for those who are fully qualified to be admitted into the party. If that is done, it will be possible to create a hard core for the party among students, so that when they leave the schools they can be cadres who are both "red" and "expert" and are willing to work anywhere. The Ho Chi Minh Communist Youth Union and the Association of Pupils and Students must be strengthened and bolstered and have activity contents and forms that are varied, suit the needs and psychology of students, and attract the students' participation, by means of which to cultivate and develop party members.

Praising the efforts and good working methods of the Hanoi Municipal Party Committee in organizing and coordinating activities between the local party committees and the Colleges and Advanced Schools Group on the one hand and the relevant departments and sectors on the other hand, the general secretary requested that that coordination be permanent and be put into the form of rules and regulations. Ho Chi Minh City, Hue, and Bac Thai Province should also do as Hanoi did and, on the basis of its experiences, do more and do a better job. The relationship between the party committees and the school heads and boards of directors must also be put into the form of uniform regulations, with clear distinctions of functions and responsibilities, and must correctly implement the principle of democratic centralism. There are still differences of opinion, so it is necessary to hold conferences, carry out criticism and self-criticism among cadres and party members, and implement broad democracy, but once a decision has been made everyone must make maximum efforts to do a good job and achieve effectiveness in attaining the highest goal of the schools: training many talented people for the nation.

Australia

Trade Minister on 'Major' Benefits of WTO

BK1412131894 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 2 Dec 94 p 2

[Report by Peter Gill]

[FBIS Transcribed Text] Australia is considering action against a number of countries in the new World Trade Organisation [WTO], which could yield "major trade benefits", the Minister for Trade, Senator McMullan, revealed yesterday.

Senator McMullan signalled the possible WTO action during a Senate debate on the legislative package to implement the outcome of the Uruguay Round of world trade talks.

The Senate was last night expected to pass the legislation which ratifies the Uruguay Round deal and ensures Australia's founding membership of the WTO—the successor to the 46-year-old GATT.

Senator McMullan revealed the possible WTO action while fending off claims by Greens Senator Dee Margetts of Western Australia that Australia's sovereignty was undermined by the new trade pact.

While Senator Margetts regarded the tougher WTO dispute settlement mechanism as a threat to Australian laws in the event of a WTO finding against Australia, Senator McMullan saw the new arrangements as a virtue.

"It is a great plus for Australia that we have the capacity through this mechanism to challenge the discriminatory measures which other people take which disadvantage us," he said.

"And there are some actions of that nature which we are contemplating taking now...we are in negotiations with other nations which could well win trade benefits for Australia," he said.

Senator McMullan declined to reveal which countries were being considered for WTO action.

Editorial Views Canberra's Trade Reform Programs

BK1412103394 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 29 Nov 94 p 18

[Editorial: "Next Step in Trade Reform"]

[FBIS Transcribed Text] The prime minister has estimated that Australia's real national income will increase by \$6.8 billion annually as a result of the APEC [Asia-Pacific Economic Cooperation] agreement reached in Jakarta. He also estimated that our exports will increase by \$5 billion, and GDP by \$3.7 billion annually as a result of the Uruguay Round agreements.

These estimates, however, represent only *potential* gains. They assume that the agreements to reduce trade barriers negotiated in Geneva and Jakarta will automatically be translated into reality. History tells us otherwise.

In recent years there has developed a major leakage of the potential gains from such agreements. While governments have collectively agreed to reduce their trade barriers through negotiation and trade diplomacy, they have acted individually at home to minimize the adjustment these agreements would bring to their own protected industries.

Global tariff levels have been reduced from 40 percent to 4 percent through trade negotiations. At the same time however, non-tariff barriers have been introduced as the tariffs were negotiated away. These have grown to the point where they now affect half the world's trade. They are often in forms traditionally seen as belonging to domestic policy and, for that reason, beyond the reach of international agreements.

Governments may understand the benefits of free trade, but they are driven by domestic political forces. And the domestic political reality is that the potential losers from free trade (the protected industries) are always better organized than the more numerous potential winners from reform.

What that means is that international trade reform now requires two steps, not one.

The first step, as in the past, involves trade diplomacy. Its contribution is to reach agreements which have the potential to produce national rewards of the magnitude promised by the Prime Minister. The Uruguay and APEC agreements were a triumph for trade diplomacy. The second step must now provide the help governments need at home to ensure that the potential gains from such agreements materialize.

This additional step cannot be pursued through the familiar processes of trade diplomacy—international rules, diplomatic pressure, and external surveillance. These have provided an inadequate defense against the new adjustment-averting barriers. Governments will continue to circumvent trade agreements until they, and their constituents at home, are convinced it is in their interests to honor them.

This is confirmed by our own experience. We were able to face up to the domestic adjustment involved in reducing our trade barriers in the context of domestic reform, but not when the context was trade bargaining. While the potential gains from pursuing domestic reform were widely understood, we saw our own barrier reductions arising from international agreements as involving no more than opening our markets for the benefit of foreigners. It is clear, from the rise of non-tariff barriers worldwide, that our experience was not atypical.

The next step in international trade reform must therefore include arrangements which enable governments

and their voters to understand that by imposing these new trade barriers they are not just cheating on their international trading partners. They are also frustrating their own opportunity to secure the domestic economic rewards which are unique to international trade reform.

These rewards depend on honoring the agreements to reduce trade barriers. They provide the incentive which governments, and their domestic constituents, need to change the negative perceptions they have held about the domestic consequences of international reform.

The groundwork for this next step has been prepared by two former chairmen of the Industry Commission, Bill Carmichael and Alf Rattigan. They have put forward a set of specific proposals for domestic procedures to underpin international trade reform, while leaving individual governments in full control of domestic policy.

Their proposals are based on the experience of the Industry Commission, which helped create a constituency for reform in Australia by exposing the heavy cost—in terms of national income and employment—of this country's trade barriers.

The objective behind these proposals is to generate a domestic constituency in favor of honoring the agreements to liberalize world trade, based on a strong domestic understanding of what is at issue.

The Australian Government has been urged to take up this issue, and to embrace this approach to it, by the Business Council and the National Farmers' Federation.

The challenge for the Prime Minister, who has taken a strong leadership role in world trade reform, is to introduce these proposals (or any alternative which meets their objective) into the ongoing trade dialogue between governments. If that involves a long journey, he should start sooner rather than later.

The alternative, which is to do nothing, will mean much smaller national rewards from the Uruguay and APEC agreements than he has promised us.

1994 Defense White Paper Examined, Viewed

Focuses on PRC Power, Influence

*BK1412132494 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 1 Dec 94 p 5*

[Report by Geoffrey Barker]

[FBIS Transcribed Text] The 1994 Defence White Paper reveals Australia's increasing strategic preoccupation with China's growing economic and military influence in the Asia-Pacific region. It also reveals a vastly increased strategic emphasis on Australia's defence relationship with Indonesia.

The White Paper acknowledges that the Asia-Pacific region is "comparatively peaceful", but warns that "the

pattern of stable strategic relationships which have underpinned Asia's security in recent years is changing".

"Previously, our defence planning has been able to assume a degree of predictability in our strategic circumstances," the White Paper says. "Now we need to take account of a more complex and changeable strategic environment."

Noting that much will depend on the policies of the major Asian powers—Japan, China, and India—the White Paper warns that ethnic and national tensions, economic rivalries or failures, or religious or racial conflict "could produce an unstable and potentially dangerous strategic situation in Asia over the next 15 years".

The White Paper notes that China's economy will become the largest in Asia and the second largest in the world within 15 years. "China is likely to continue to pursue its strategic objectives by a combination of diplomatic, political, and economic means, underpinned by its growing political strength. Over the next decade, China is likely to be the most powerful new influence on the strategic affairs of our wider region".

"As with other regional countries, we seek a better understanding of China's strategic perceptions and intentions, and a better understanding by China of regional perceptions of security issues and China's place in them."

Australia's defence relationship with Indonesia, it says, "is our most important in the region and a key element in Australia's approach to regional defence engagement".

It says Australia's security is enhanced as Indonesia develops its capacity to defend its territory because it becomes less likely that any hostile third power could attack across Australia's sea and air approaches.

The Minister for Defence, Senator Ray, said last night the emphasis being placed on Indonesia did not imply a decline in the importance Australia attached to the Five Power Defence Arrangements with Malaysia, Singapore, Britain, and New Zealand.

More Spending on Military Equipment

*BK1412132094 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 1 Dec 94 p 5*

[Report by Geoffrey Barker]

[FBIS Transcribed Text] Australia will maintain high levels of investment in advanced defence equipment to meet a more demanding and complex strategic situation in Asia and the Pacific over the next 15 years.

The 1994 Defence White Paper, released yesterday revealed Government plans to introduce five-year

defence budgets from 1996-97 and to maintain defence spending at about 2 percent of gross domestic product—currently \$9.6 billion.

It said investment in major new capital equipment would continue to increase and to absorb more than 20 percent of the defence budget, while the total number of military personnel would decline slightly.

"We need also to sustain a level of expenditure on personnel and operations which ensures we can maintain effective capabilities," the White Paper says. "For this reason, it is not practicable to sustain equipment and facility investment much above 28-30 percent of the defence budget without additional funding for specific initiatives."

Tabling the White Paper in the Senate, the Minister for Defence, Senator Ray, said a more fluid and more complex strategic pattern would emerge throughout Asia and the Pacific in the post Cold-War era. Australia had to be self-reliant and able to defeat an attacker without relying on the combat forces of other countries.

Australia's security required close engagement with the South-East Asian region and maintenance of alliances with the US and New Zealand.

Senator Ray said new military technologies increased demands on Australia's declining numbers of service personnel, and that recruiting and retaining high calibre people presented long-term challenges.

The White Paper revealed that a fifth regular infantry battalion would be raised over the next three to four years from within the Army's current resources and that the Army's structure would be reviewed next year.

It said six Collins Class submarines would enter service over the next five years with eight ANZAC frigates and six coastal minehunters also joining the force. New helicopters would be acquired for the ANZAC frigates.

The RAAF's [Royal Australian Air Force] C130E transport aircraft were being replaced, while P3C maritime patrol aircraft, F/A-18 fighters and F-111 aircraft were to be upgraded. The Macchi trainer would be replaced by 2000, and AWACs aircraft would be acquired by the year 2000.

The Opposition spokesman on defence, Senator Newman, said the White Paper failed to acknowledge that low manning levels had impacted on force preparedness and failed to provide a budgetary commitment commensurate with its commitment to self-reliance.

Editorial Assesses Defense Needs

BK1412132194 Sydney *THE AUSTRALIAN FINANCIAL REVIEW* in English 2 Dec 94 p 28

[Editorial: "Sting in Tail of Defence White Paper"]

[FBIS Transcribed Text] Are Australians ready for the challenge of post-Cold War strategic independence?

The Defence White Paper provides an outline of the strategic environment in which Australia is likely to be operating over the next couple of decades—and in many respects it will be a more demanding one than the relatively simple bi-polar world of Cold War alliances.

It is an environment in which Australia is by necessity more independent of the US.

That is primarily because US capabilities and interests in the region will change. On the one hand, the US reactions to events in the region will no longer be conditioned by the need to maintain the strategic balance with the Soviet Union. On the other, the dramatic growth of the region will create powerful new strategic and economic interests for the US. The White Paper cites two important examples: in the next two decades, China's economy will be the second largest in the world; Indonesia's economy will be as big as Australia's. But Asia will be dotted with vital markets for the US.

At the same time the region will be more prone to ethnic and national tensions and, in the absence of the old Cold War discipline, shifts in the strategic relationships between countries.

Consider the relationship between the region's two economic (and, potentially, military) superpowers, China and Japan. Their natural rivalry has the capacity to fuel tensions throughout the region as smaller states seek protection or advantage by taking one side or the other.

The catch-cry of Australian strategic planners has been self-reliance within a framework of alliances and regional associations.

With the end of the Cold War, there must be less reliance on the US alliance and more emphasis on self-reliance and on the development of regional relationships.

Of course, the US alliance will remain of vital importance to Australia. Like other US allies in the region, Australia must encourage the US to remain fully engaged in the Western Pacific as a force for stability.

Not that the US has plans to become disengaged. But American politicians, under pressure to solve domestic problems, can take their eyes off the strategic ball.

For example, if trade tensions were allowed to put a chill on US-Japanese relations it could have a very serious impact on the strategic balance in Asia. Japan is now almost totally reliant on the US for its defence. If the Japanese began to doubt America's willingness to defend them they would begin to seriously re-arm.

For Australia, nurturing the US alliance in this more challenging strategic environment will require it to strike a new balance between strategic independence and solidarity with the US.

The authors of the White Paper put it neatly. While noting that Australia will have to provide its own

defence and strike its own relationships with the region, they argue that the alliance will continue to serve the interests of both countries.

"The US will benefit from Australia's support: we are closely engaged in regional affairs and sympathetic to most American values and interests. More broadly, the alliance strongly supports the United States' continued strategic presence in the Western Pacific, which is of major strategic interest both for the US and for Australia and for others in the region."

Australia's interest lies in using a large measure of its strategic independence to build on its alliance with the US.

Most Australians will be perfectly comfortable with that proposition. But they may be less comfortable with some of the other, less familiar requirements of Australia's new strategic position.

Self-reliance has always been expensive.

Two percent of Australia's relatively large GDP may be sufficient to maintain Australia's military and technological superiority in the region for the next few years, but as countries in the region develop economically and spend more on defence the gap between the defence capabilities of Australia and the nations of South-East Asia will narrow.

That does not mean Australia could not successfully build its national security around a relatively isolationist policy, but it probably would have to spend considerably more than 2 percent of its GDP to do it.

Hence the argument for a more active regional engagement to do what we can to preserve a regional environment in which the member States have no inclination to attack us or form alliances with troublesome outsiders.

On one level that means trying to foster the sense of community implicit in APEC. On another, it means closer co-operation in defence training, defence science and industry and procurement with regimes that do not generally share Australia's democratic values.

The challenge for Australia will be to engage more closely with the governments of the region while using its position to urge respect for human rights and political reform.

Commentary Examines Paper's 'Vision'

BK1412133594 Sydney *THE AUSTRALIAN FINANCIAL REVIEW* in English 1 Dec 94 p 5

[Commentary by Geoffrey Barker: "Our Future Defence Plans—on a Wing and a Prayer"]

[FBIS Transcribed Text] The 1994 Defence White Paper, like the Book of Common Prayer, is a declaration of faith grounded in a vision of the world to come.

It could hardly be otherwise, given that it sets out to look 15 years into the future and to plan for the defence of Australia in an increasingly complex and uncertain world.

Whether the White Paper's prescriptions will prove as durable as the Book of Common Prayer will depend very much on how closely the world conforms to the current vision of Australia's defence planners.

Among the White Paper's main articles of faith:

- Australia can be defended from all currently conceivable threats with resources not exceeding 2 percent of GDP over the next 15 years.
- Australia can maintain defence preparedness while placing significant financial emphasis on improving its technological sophistication.
- Australia will be able, as job markets improve, to recruit and retain the skilled men and women necessary to operate technologically advanced military surveillance systems and hardware.
- Australia will be able to forge regional defence relationships with countries like Indonesia, Malaysia, and Singapore so complete that they will want to form and manage a medium power south-east Asian security environment capable of deterring any potential aggressor.
- Australia will be able to keep its ally, the United States, engaged in the region in the post-Cold War world.
- Australia will be able, with others, to persuade emerging giants like China, Japan, and India to ensure their national aspirations are in conformity with regional and multilateral arrangements.

For the time being the White Paper is sure to please the Australian military establishment: some splendid new subs and ships and planes are on the way, and the army can recruit a new battalion. It will also reassure our neighbours of our intention to take them fully into our strategic confidence. But we live in a dynamic and uncertain world in which there are no eternal verities and 15 years is a long time in world affairs.

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